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CONFIDENTIAL.

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FURTHER CORRESPONDENCE

RESPECTING THE

REVISION OF THE COMMERCIAL TREATIES

BETWEEN

GREAT BRITAIN AND TURKEY.

1892.

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CONFIDENTIAL.

Further Correspondence respecting the Revision of the Commercial Treaties between Great Britain and Turkey.

No. 1.

Colonial Office to Foreign Office.—(Received February 16.)

Downing Street, February 15, 1892.

Sir,

WITH reference to your letter of the 27th May last, and to previous correspondence respecting the Commercial Treaties of 1843 and 1868 between Turkey and Portugal as affecting the commercial relations of Cyprus, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a despatch from the High Commissioner for the island on the subject, and to request to be informed whether his Lordship is in a position to furnish any further information as to the negotiations between Portugal and Turkey in this matter.

I am, &c.

(Signed) EDWARD FAIRFIELD.

Inclosure in No. 1.

Governor Sir H. Bulwer to Lord Knutsford.

Government House, Nicosia, January 20, 1892.

My Lord,

WITH reference to your Lordship's despatches of the 6th March and 29th May, 1891, I would respectfully ask if any further information can now be obtained as to the exact present position of the commercial relations between Turkey and Portugal.

2. The state of the case, so far as it affects this island, appears to be as follows, and it will explain the concern that this Government has in the matter of my inquiry.

3. When Her Majesty's Government took over the administration of Cyprus in 1878, the Customs Tariff of the island, as part of the Ottoman Empire, was necessarily regulated by the then existing Capitulations, Conventions, and Commercial Agreements between Turkey and other countries; and after the occupation it was apparently held that the Government of the island was more or less bound—not entirely so, perhaps, but more or less bound—by the said Conventions and Commercial Treaties so long as these should remain in force between Turkey and the several different countries which were parties to them. The result has been that the Tariff here remains to-day practically the same Tariff that we found in force in 1878.

4. Meanwhile, one by one, the Conventions or Commercial Treaties to which I have referred have since then been denounced, or have ceased to exist, with the single exception, I understand, of the Convention of 1868 between Turkey and Portugal. That Convention is dated the 23rd February, 1868, and it was made for a full term of twenty-eight years with a right, I believe, reserved to the Contracting Parties to terminate or alter it at the end of the fourteenth year, or again at the end

of the twenty-first year. The twenty-first year expired in 1889, and subsequentl a Commercial Declaration was signed at Lisbon between Turkey and Portugal on the 11th January, 1890, one of the purposes of which was to cancel and annul the 1868 Convention; but on the 24th April, 1891, at Brussels, a paragraph was added to that Declaration which has left the matter in a state of some uncertainty.

5. It is of great importance to this Government to be kept acquainted with the issue of the negotiations between Turkey and Portugal, because, as I have said, the Convention of 1868 is the only one remaining of the Commercial Conventions found in force in 1878 between Turkey and foreign countries by which we have been held to be more or less bound. So long as that Convention is in force the Government of Cyprus is to all intents and purposes bound by it. On the other hand, as soon as it ceases to be in force, it is necessary for this Government to take steps, without loss of time, to assure its position in customs matters, it being even doubtful, I am told, if we can legally continue to levy, without some fresh authority, our present customs duties when the Convention by virtue of which we are now levying them has itself ceased to exist. Fortunately, we possess under the terms of Ordinance No. 28 of 1879 the power at once to fix the rates of import and customs duty to be taken and levied on imported goods, and thus, as soon as we are informed that the Convention of 1868 has ceased to be in force, we can take immediate steps to protect the revenue, but we cannot well do this so long as the Convention of 1868 is or is believed to be in force, and this is the reason why we are anxious to obtain the earliest information on the subject.

6. That we have reason to desire the termination of the Convention of 1868 is certainly also the case, and this reason will be understood when I say that so long as we are bound by it we are unable to discourage, as we want to do, by heavier duties, the importation of cheap and inferior foreign spirits. Moreover, as I reported last year, the Chief Collector of Customs is desirous, as soon as the Convention of 1868 has ceased to exist, of introducing a new Tariff better suited to the commercial circumstances of the island, and therefore, if by any chance the Convention of 1868 has ceased to exist since the date of the additional paragraph signed at Brussels on the 24th April last, he would desire to introduce the new Tariff, if your Lordship agrees to it, during the next coming Session. But nothing can be done until we know what is the present position of the commercial relations between Turkey and Portugal.

I have, &c.
(Signed) H. BULWER, *High Commissioner.*

No. 2.

*The Marquis of Salisbury to Mr. Fane.**

(No. 11. Commercial.)

Foreign Office, February 18, 1892.

Sir,

WITH reference to Sir W. White's despatch No. 68, Commercial, of the 20th May last, I have to inform you that the Secretary of State for the Colonies wishes to learn the present position of the commercial negotiations between Turkey and Portugal; and I shall be glad to receive a Report from you on the subject.

I am, &c.
(Signed) SALISBURY.

No. 3.

Foreign Office to Colonial Office.

Foreign Office, February 18, 1892.

Sir,

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 15th instant, and to state, in reply, for Lord Knutsford's information, that no further Report has been received as to the position of the commercial negotiations between Turkey and Portugal. Inquiry has now been made of Her Majesty's Representatives at Constantinople and Lisbon.

I am, &c.
(Signed) JAMES W. LOWTHER.

* Also to Sir G. Petre (No. 9, Commercial).

No. 4.

The Marquis of Salisbury to Sir Clare Ford.

(No. 13. Commercial.)

Foreign Office, February 27, 1892.

Sir,

I TRANSMIT to your Excellency herewith copies of the volume of printed correspondence for 1891 respecting commercial negotiations between Great Britain and Turkey.

I have to request that you will consider the question of these negotiations, and, at your convenience, specify the points as to which you may want instructions.

I shall be glad to receive at the same time such observations as you may have to offer on subjects connected with those negotiations.

I am, &c.
(Signed) SALISBURY.

P.S.—Two of the accompanying volumes are intended for Mr. Fane and Mr. Wrench respectively. S.

No. 5.

Sir G. Petre to the Marquis of Salisbury.—(Received February 29.)

(No. 21. Commercial.)

Lisbon, February 23, 1892.

My Lord,

IN reply to your Lordship's despatch No. 9, Commercial, of the 18th instant, I have the honour to report that since the date of the exchange of ratifications of the Turco-Portuguese Declaration signed at Lisbon on the 11th January, 1890, which took place on the 24th April, 1891, at Brussels,* there have been no negotiations for a new Commercial Treaty between the two countries.

At present the importation of Turkish goods, like that from other countries, is subject to the duties imposed in the Provisional Customs Tariff which came into operation on the 1st instant, as reported in my despatch No. 13 of that date.

The Declaration above referred to, the duration of which is not limited, continues in force as regards any favours other than those concerning Tariff duties, but it entitles Turkey to the most-favoured-nation treatment that may be hereafter granted to any other country, Brazil excepted.

According to the additional clause agreed to by Portugal and Turkey on the 24th April, 1891, in the event of any negotiations taking place for a new Commercial Treaty, and of no agreement being come to within six months, from and after the date of the proposal for such negotiations, the said Declaration will then become null and void. No such negotiations having taken place, the Declaration still holds good.

I have, &c.
(Signed) GEORGE G. PETRE.

No. 6.

Colonial Office to Foreign Office.—(Received March 17.)

Downing Street, March 16, 1892.

Sir,

WITH reference to your letter of the 1st instant, and to previous correspondence respecting the commercial relations between Portugal and Turkey as affecting

* See Sir G. Petre's No. 30, Commercial, May 8, 1891.

Cyprus, I am directed by Lord Knutsford to observe that Sir G. G. Petre refers to the Turco-Portuguese Declaration of the 24th April, 1891, as still holding good, no negotiations for a new Commercial Treaty having taken place.

Since the date of your letter of the 26th February, 1891, the condition subject to which the Portuguese Cortes approved of the Declaration has, according to the inclosures to your letter of the 27th May last, been accepted by Turkey and incorporated in the Declaration, but the negotiations for a new Treaty have not been entered on by the two Powers.

I am, however, to suggest, for the consideration of the Marquis of Salisbury, that a representation might be made to the Portuguese Government that although no negotiations between that country and Turkey are on foot, Her Majesty's Government presumes that the Portuguese Government does not wish to claim that the Cyprus Government is still bound by those Treaties which Portugal and Turkey have denounced.

I am, in conclusion, to express a hope that Lord Knutsford may be favoured with an early reply, as it is more than a year since the Cyprus Government first sought for instructions on the subject.

I am, &c.
(Signed) JOHN BRAMSTON.

No. 7.

Sir Clare Ford to the Marquis of Salisbury.—(Received March 18.)

(No. 16. Commercial.)
Constantinople, March 11, 1892.

My Lord,

IN reply to your Lordship's despatch No. 11, Commercial, of the 18th February, inquiring as to the present position of the commercial negotiations between Turkey and Portugal, I have the honour to make the following report.

In Sir G. Petre's despatch to your Lordship No. 30, Commercial, of the 8th May, 1891, the Commercial Declaration between Turkey and Portugal, signed at Lisbon on the 11th January, 1890, will be found together with the additional paragraph signed at Brussels on the 24th April, 1891, and the late Ambassador in his despatch No. 68, Commercial, of the 20th May, 1891, transmitted to your Lordship the textual copy of the ratifications of the above agreement.

The arrangment, however, did not meet with the entire approval of the Porte owing to the possibility that the additional paragraph might be construed to mean that the Portuguese Government could present any proposition for a new Treaty, which might prove unacceptable to the Sublime Porte, and that six months afterwards the Declaration would be null and void, and the Treaty of 1868 would be revived if the Turkish Government failed to conclude a Treaty as proposed.

This objection was brought to the notice of the Portuguese Government, which stated that such was not their intention, and an interchange of notes took place. These notes the Turkish Government evidently desire to keep secret, but I am given to understand that neither party will make an official demand or proposal to reopen negotiations until the matter has been first treated "officieusement," and that no proposal can be made without an "entente préalable" as to the date when that proposal shall be taken into consideration. Further, any proposal for negotiations must be based on the draft Treaty presented by the Sublime Porte to all the foreign Missions now negotiating Commercial Treaties with the Turkish Government.

The last paragraph of Sir W. White's despatch No. 68 of the 20th May last, in which it was stated that no proposal for the negotiation of a new Treaty could be made by either Power before February 1892, has thus been modified.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 8.

Foreign Office to Colonial Office.

Sir,
Foreign Office, March 22, 1892.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 16th instant, respecting the position of Cyprus in connection with the Commercial Treaty between Portugal and Turkey.

In reply, I am to point out that it was stipulated by the Declaration of the 11th January, 1890, that the Treaties of 1843 and 1868 should be considered abrogated; and that, pending the conclusion of a new Treaty between these countries, the commerce and interests of their respective subjects should be placed on the same footing as those of other Powers—in other words, on the footing of most-favoured-nation treatment.

This Declaration was ratified by both Powers; and the ratifications were exchanged at Brussels on the 24th April, 1891.

Portugal can, therefore, now only claim to trade with Cyprus on the same footing as any other nation; and the Government of Cyprus can accordingly consider themselves free from the special obligations of the Treaties of 1843 and 1868 above referred to. Under these circumstances it does not appear to be expedient or necessary to make any communication on the subject to the Portuguese Government.

I am, &c.
(Signed) JAMES W. LOWTHER.

No. 9.

Count Glanz to Count Deym.—(Communicated to the Marquis of Salisbury, March 28.)

(Translation.)
Vienna, March 22, 1892.

Illustrious Count,

ACCORDING to confidential information which has reached us from Constantinople the Turkish Government circles have resolved to put into operation a portion of the provisions of the new Turco-German Commercial Treaty, concluded on the 20th August, 1890, but which have hitherto not been put into force on account of the negotiations which are pending with other Powers with a view of renewing the Treaties. These provisions would thus apply to all the foreign commerce, without any previous understanding with these Powers having been arrived at.

It appears that it is only proposed to put into force those stipulations which have no reference either to the imposition of customs, the system of levying them, the question of bonded warehouses, or the exemptions from duty which now exist.

Although the immediate consequences which would result to trade from the measures which are projected may be of very little importance, such a proceeding on the part of the Porte would have a great importance as a principle, as it would represent their first effort to modify singly, and of their own initiative, the new Turkish commercial régime in the case of those Powers with whom the negotiations on the subject have as yet not reached an agreement.

Evidently the object of Turkey is to exercise pressure upon the compliance of the Powers in these negotiations.

The greater or lesser importance of the proposed innovation, therefore, should not so much be considered as the fact that this way of acting would constitute a dangerous precedent, on which the Porte would, at a convenient moment for them, base an attempt to introduce the new duties without consulting the Powers with whom Treaties are still under negotiation, and by their own initiative.

Under these circumstances it appears advisable for us and the Powers, who are in the same position as ourselves, to oppose this effort of the Porte's with firmness.

I have the honour to request your Lordship to speak to Her Majesty's Government upon this subject, and to urge them, in case they share our views, to give instructions to their Ambassador at Constantinople to enter into communication with our Ambassador in that city and discuss with him such steps as may appear suitable to traverse the aims of the Porte.

While adding that we have sent a similar communication to Rome as well, we expect with interest a report upon the decision taken by the British Government at your Excellency's early convenience.

Accept, &c.
(Signed) GLANZ.

No. 10.

The Marquis of Salisbury to Sir Clare Ford.

(Commercial.)
(Telegraphic.) P. *Foreign Office, March 30, 1892.*

ACCORDING to information received by the Austro-Hungarian Government, the Porte intends very shortly to put in force some portions of the Treaty of the 26th August, 1890, with Germany, without waiting for the conclusion of Treaties with the other Powers. I shall be glad to receive a report on the subject from your Excellency.

No. 11.

Sir Clare Ford to the Marquis of Salisbury.—(Received March 31.)

(Commercial.)
(Telegraphic.) P. *Constantinople, March 31, 1892.*

IN a despatch dated 24th instant, I have reported on the subject of your Lordship's telegram of yesterday. The subject appears to be still under consideration at the Porte. Answer of Minister for Foreign Affairs is not satisfactory, but before making further representations I will await instructions.

No. 12.

Sir Clare Ford to the Marquis of Salisbury.—(Received April 1.)

(No. 21. Commercial. Confidential.)
My Lord, *Constantinople, March 24, 1892.*

ON the 16th instant I was confidentially informed, from a trustworthy source, that the Porte had decided to put in force certain portions of the new Commercial Treaty concluded with Germany, signed on the 26th August, 1890; that these portions of the Treaty would be enforced against the subjects, commerce, and shipping of all the Powers, but I was also informed that the date of this measure was not yet fixed.

The portions of the Treaty to be enforced were :—

Articles I, II, III, IV, V (with exception of second and last paragraph), VI, VII, X (first two sections only), XI, XII, XIV, XV, XVI, XVII, XXI, XXII (first sentence only), XXIII, XXIV, and XXV.

The "Tariff" and the "Règlement Douanier" were not included in the proposed measure.

The only points calling for special attention were Article V, in which the Porte reserves the right to impose "surtaxes;" Article XII; Article XVI, in which the Porte claims the right to establish monopolies; and Article XXII.

With these exceptions, the enforcement of the above-mentioned portions of the Treaty would not have, as far as I can at present see, any *immediate* consequences in the commercial relations of Great Britain and Turkey, but as the enforcement of a Treaty concluded with another Power against the subjects, the shipping, and commerce of the United Kingdom would be the destruction of the whole basis of our commercial relations with Turkey, and would not be accepted by Her Majesty's Government, I considered that if we closed our eyes to the enforcement of any portions of the German Treaty, even though the immediate consequences were insignificant, it would be a dangerous precedent, and the Turkish Government might cite it against us, should they wish later to enforce the whole Treaty, Tariff and "Règlement Douanier" included.

I therefore instructed Mr. Block to inquire of Saïd Pasha, the Minister for Foreign Affairs, if my information was correct.

Saïd Pasha stated that the information was not quite correct, that there had been *pourparlers* with the German Embassy, but that nothing had been decided. His Excellency said that the Austrian Ambassador had also questioned him on the subject; that he had given a similar answer; indeed, his Excellency added, the Turkish Government could not take such a step.

I am informed that the French Embassy, which has received similar information, will also make inquiry at the Porte.

Saïd Pasha stated, further, to Mr. Block, that when the date was fixed, the whole German Treaty would be put into force, but only as regards German subjects.

The second paragraph of the "Procès-Verbal de Signature" attached to the German Treaty runs as follows: "Il est pourtant bien entendu que même après cette date ni le Tarif ni une stipulation quelconque du Traité ne pourront être, *sans le consentement du Gouvernement Allemand*, mis en vigueur vis-à-vis de l'Allemagne, s'ils ne sont pas en même temps mis en vigueur vis-à-vis de toute autre nation" (see inclosure in Sir E. Malet's No. 147 of the 27th December, 1890), and the whole matter seems so little clear that perhaps your Lordship may desire to ascertain at Berlin what has recently passed between Germany and Turkey with regard to the new Treaty.

I think it opportune to mention that if any portion of a new Treaty that is not our act is enforced without our personal consent, we may lose some of the points mentioned in Saïd Pasha's note of the 17th March, 1890, and consigned in a Memorandum "paraphé" by Sir William White and the Foreign Minister, the satisfactory solution of which points is a *sine qud non* to the signing of the new Treaty.

As the Memorandum in question has never, seemingly, reached your Lordship, I have the honour to inclose a copy of it herewith.

Our Treaty negotiations have not advanced since my arrival, the Turkish Government not having replied to Sir W. White's communication to Saïd Pasha of the 24th September last (copy inclosed), containing the demands from which the late Ambassador considered his instructions did not allow him to recede.

The other Powers, also, have not concluded their Treaties, France having barely begun to negotiate.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 12.

Memorandum "paraphé" by Sir W. White and Saïd Pasha.

PAR une note adressée à l'Ambassadeur d'Angleterre par la Sublime Porte le 17 Mars, 1890, les points suivants, au sujet des négociations commerciales, ont été réglés comme suit :—

1. L'unification des Tarifs et l'application d'un Tarif uniforme dans tout l'Empire Ottoman simultanément et sans distinction de provenance.

"Aussi les différents Tarifs négociés avec chacune des Puissances ont-ils été unifiés, et le Tarif Général qu'en a résulté et qui contient le minimum des droits de douane fixés pour les marchandises tarifiées sera appliqué dans l'Empire d'une manière égale à tout le commerce d'importation, simultanément et sans distinction de provenance."

2. L'abolition des droits de transit.

"Le Gouvernement Impérial donne satisfaction à la plupart des desiderata du Gouvernement de Sa Majesté Britannique, tel que la suppression du droit de transit."

3. La faculté d'entrepôt est accordée aux importateurs.

"Le Gouvernement Impérial donne satisfaction à la plupart des desiderata du Gouvernement de Sa Majesté Britannique, tel que la faculté d'entrepôt accordée aux importateurs."

4. Le système de déclaration est adopté.

"Le Gouvernement Impérial donne satisfaction à la plupart des desiderata du Gouvernement de Sa Majesté Britannique, tel que l'adoption du système de déclarations."

5. La simplification des opérations douanières suivra la mise en vigueur du nouveau Tarif.

"Le Gouvernement Impérial donne satisfaction à la plupart des desiderata du Gouvernement de Sa Majesté Britannique, tel que la simplification des opérations douanières par la mise en vigueur du nouveau Tarif Spécifique."

6. La publication officielle du nouveau Tarif sera faite deux mois avant son application.

"Le Délégué Britannique avait demandé, en outre, la publication d'un Avis officiel portant à la connaissance du commerce au moins trois mois d'avance la date de la mise en vigueur du nouveau Tarif.

"Ce laps de temps ayant été reconnu comme excessivement long, le Gouvernement Impérial, tout en donnant suite à cette demande aussi du Gouvernement de Sa Majesté, a décidé de fixer ce délai à deux mois."

7. Les droits intérieurs seront abolis avec la mise en vigueur du nouveau Tarif.

"Le Gouvernement Impérial a résolu d'abolir les droits intérieurs à l'occasion de la mise en vigueur du nouveau Traité.

8. Le droit d'exportation sera aboli avec la mise en vigueur du nouveau Tarif.

"Le Gouvernement Impérial projette de supprimer également le droit d'exportation."

9. L'importance qui se rattache à l'acceptation du Tarif unifié comme base du nouveau Traité.

"D'après la teneur générale de la note susmentionnée, il est entendu que la Sublime Porte admet l'acceptation du Tarif Unifié comme base du nouveau Traité."

10. Communication des Règlements Douaniers, ainsi que des modifications qui pourraient y être introduites dans l'avenir. La modification des points mentionnés dans les Règlements, qui seraient en contradiction avec les principes contenus dans le Traité, et qui seraient signalés à la Sublime Porte par le Représentant de Sa Majesté Britannique.

"En ce qui touche la question des Règlements et des autres actes douaniers afférent au nouveau Traité, votre Excellence voudra bien convenir qu'il ne peut pas y avoir lieu à une collaboration étrangère; néanmoins, l'Ambassade de Sa Majesté recevra, comme par le passé, communication des dits Règlements, ainsi que des modifications que l'Administration Ottomane pourra y introduire dans l'avenir, afin qu'ils puissent être portés à temps à la connaissance du commerce Anglais, le Gouvernement Impérial Ottoman se réservant de modifier les points de ces Règlements qui seraient en contradiction avec les principes contenus dans le Traité, et qui lui seraient signalés par le Représentant de Sa Majesté Britannique. A la rigueur, la Sublime Porte serait prête à donner une déclaration à ce sujet."

11. La publication par la voie des journaux de toutes les instructions générales ou circulaires qui seraient promulguées ultérieurement, ayant pour objet l'explication du Tarif.

"Passant à la réserve relative à la publication par la voie des journaux de toutes instructions générales ou circulaires ultérieures, ayant pour objet d'expliquer les Articles du Tarif ou d'en déterminer la portée, ainsi qu'à la constatation du droit des autorités Anglaises d'en contester les dispositions dans le cas où elles leur sembleraient contraires aux stipulations du Traité ou du Tarif, je rappellerai à votre Excellence que le Gouvernement Impérial a toujours suivi la règle de faire publier dans les journaux cette sorte de Circulaires, et il va de soi qu'en cas d'observations fondées formulées de la part de l'Ambassade Royale sur le contenu de ces actes il en sera tenu compte."

12. Le traitement de la nation la plus favorisée.

"Enfin, en ce qui concerne la clause du traitement de la nation la plus favorisée, elle est assurée à la Grande-Bretagne ainsi que le projet de Traité en fait foi."

(Signé) M. S.
W. A. W.

Se référant à la correspondance qui a précédé la reprise des négociations relatives à la conclusion du Traité de Commerce, l'Ambassade de Sa Majesté Britannique a cru nécessaire de faire, entre autres, des réserves sur les points suivants:—

1. Dès que le Tarif sera complété il devra être transmis officiellement à l'Ambassade.
2. Les droits d'exportation, dont l'Ambassade de Sa Majesté Britannique demande sans cesse la suppression, doivent être abolis en entier par Avis officiel.
3. La question de la durée du Traité devra rester en suspens jusqu'à ce que l'entente soit établie sur les autres points du Traité.

(Signé) M. S.
W. A. W.

Inclosure 2 in No. 12.

Memorandum presented to Said Pasha.

Points principaux du nouveau Traité de Commerce sur lesquels une entente n'a pu s'établir, les Délégués Ottomans n'ayant pas été autorisés à concéder les demandes de leurs Collègues Britanniques.

CES derniers ayant insisté sur une rédaction conforme aux instructions de leur Gouvernement transmises à eux par l'Ambassade, et leurs efforts dans ce sens étant restés sans résultat, l'Ambassade s'est convaincue de l'inutilité de continuer ces débats et désire soumettre le compte rendu qui suit à l'appréciation de son Excellence le Ministre des Affaires Etrangères:—

1. Article II.—Les Délégués Ottomans ont exprimé le désir de supprimer les mots "les plus favorisés." Le Gouvernement de Sa Majesté Britannique s'y oppose. Les Délégués Ottomans avaient proposé une déclaration explicative, mais n'ont pas donné suite à cette proposition.

2. Article III.—Les Délégués Ottomans ont soulevé la question des taxes municipales qui pourraient affecter les importations étrangères. Ils constatent que la question avait déjà été réglée par l'Article II, signé *ad referendum*. Dans ce cas il faudra modifier l'Article II par l'addition de la phrase ci-jointe. (Annexe A.)

3. Article IX.—Les propositions des Délégués Britanniques pour la réduction des droits d'entrepôt pour les marchandises à bon marché est à l'étude à la Douane Impériale. L'Ambassade désirerait savoir le résultat de cette étude.

4. Article X.—Cet Article, qui a été soumis à la réconsidération du Gouvernement de Sa Majesté Britannique, demande des légères modifications qui seront communiquées à son Excellence le Ministre des Affaires Étrangères.

5. Article XIV.—Le Gouvernement de Sa Majesté Britannique ne peut se départir de sa demande que tout nouveau droit ou charge de cette nature (droits de tonnage, port, quai, &c.) ainsi que toute augmentation de ces droits ou charges ne soit établi que d'un commun accord entre les deux Gouvernements.

6. Article XVI.—Au sujet de cet Article il y a eu des discussions réitérées entre les Délégués des deux pays et un projet de texte a été signé par eux *ad referendum*. Comme il s'agit pourtant de modifications de droits acquis et existants de la navigation Anglaise, le Gouvernement de Sa Majesté Britannique n'a pas cru pouvoir donner son adhésion à cette rédaction et la question attend sa solution par une entente entre l'Ambassade et son Excellence le Ministre des Affaires Étrangères.

7. Article XVII.—L'Ambassade transmet ci-jointe une copie de l'Article que son Gouvernement tient à voir inséré dans le Traité. (Annexe B.)*

8. Article XVIII. — Le Gouvernement de Sa Majesté Britannique ne peut accepter les mots "pendant la durée du présent Traité," puisqu'il ne peut accepter le principe que, à la conclusion de ce Traité, les stipulations des anciens Traités expirent. Si les Délégués Ottomans ne donnent pas à l'Article une pareille interprétation, il sera facile de se mettre d'accord sur une rédaction qui ne présenterait pas cette objection.

9. Les Articles XXI à XXV, ainsi que le Règlement Douanier, sont à l'étude.

10. Article XXVII.—Ci-jointe une copie de cet Article dans la forme qui est la seule que le Gouvernement de Sa Majesté Britannique puisse accepter.†

Annexe (A).

La Sublime Porte s'engage en outre à ne soumettre les Articles de fabrication ou de provenance Britannique importés dans l'Empire Ottoman à des droits d'entrée excédant ceux indiqués dans le Tarif ci-annexé et qui fait partie intégrante du présent Traité, ni à aucun autre droit ou charge, sous quelque dénomination et au profit de qui que ce soit.

No. 13.

The Marquis of Salisbury to Sir Clare Ford.

(No. 32. Commercial.)

Sir, *Foreign Office, April 7, 1892.*

I HAVE to acknowledge the receipt of your Excellency's despatch No. 21, Commercial, of the 24th ultimo, respecting the commercial negotiations in progress between Her Majesty's Government and the Porte.

I approve your proceedings on the points adverted to in that despatch, and I have to request that you will hold language to the effect that the fact that the provisions of a Treaty between Turkey and a foreign Power cannot be applied to Great Britain without the assent of Her Majesty's Government does not admit of doubt. You should likewise take notice of Saïd Pasha's statement to Mr. Block that the Treaty of 1890 between Germany and Turkey will only be put in force as regards German subjects, a decision which recognizes the contention of Her Majesty's Government.

I have further to request that your Excellency will co-operate in this matter with your Austrian colleague, and with any other foreign Representatives with whom you may think it useful to act in the matter.

I shall also be glad if you will report to me as exactly as you can the present position of the commercial negotiations between the Porte and different foreign countries.

I am, &c.
(Signed) SALISBURY.

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* *Vide* Print, 1891, p. 56.

† Ibid., p. 44.

No. 14.

The Marquis of Salisbury to Count Deym.

M. l'Ambassadeur, *Foreign Office, April 7, 1892.*

I HAVE now the honour to inform your Excellency, with reference to the communication which you were good enough to make to me on the 25th ultimo respecting the commercial relations between Turkey and different Powers, that Her Majesty's Ambassador at Constantinople understands that the German Commercial Treaty of 1890, if it is put into force now, will only be applied to German subjects.

I have further the honour to acquaint your Excellency that I have requested Sir Clare Ford to co-operate with the Austro-Hungarian Ambassador on the subject of the commercial questions now in discussion with the Porte.

I have, &c.
(Signed). SALISBURY.

No. 15.

Sir Clare Ford to the Marquis of Salisbury.—(Received April 16.)

(No. 28. Commercial.)

My Lord, *Constantinople, March 31, 1892.*

WITH reference to your Lordship's despatch No. 110, Commercial, of the 19th December last, approving the terms of a note which had been addressed to Saïd Pasha on the 3rd December by the late Ambassador Sir William White, I have the honour to inclose herewith copy of a note which was sent in reply by the Turkish Minister for Foreign Affairs respecting the publication of an unacceptable "Règlement Douanier." I have likewise the honour to inclose copy of certain remarks that have been made by our Delegate Mr. Wrench, to whom this note was referred.

Your Lordship will observe that Mr. Wrench questions whether advantage should not be taken of the present occasion to settle once for all the exact manner in which the "Règlement" Ottoman is to be amended to suit the requirements of British commerce, as promised in the Declaration which was signed on the 17th February, 1891, by the British and Ottoman Delegates, and inclosed to your Lordship in Sir William White's despatch No. 21, Commercial, of the 20th February, 1891 (p. 20, Print, 1891).

With reference to Sir William White's Memorandum to the Grand Vizier of July last, alluded to by Mr. Wrench, I beg to call your Lordship's attention to the fact that a similar though somewhat modified communication was made by the late Ambassador to the Minister for Foreign Affairs on the 24th September last, copy of which I had the honour to inclose in my despatch No. 21, Commercial, of the 24th instant.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 15.

Saïd Pasha to Mr. Fane.

M. le Chargé d'Affaires, *Sublime Porte, le 23 Janvier, 1892.*

J'AI eu l'honneur de recevoir la note de l'Ambassade de Sa Majesté Britannique en date du 3 Décembre, 1891, au sujet de la promulgation du nouveau Règlement Douanier.

Ainsi qu'il est constaté dans la dite note, ce Règlement est destiné à régler le fonctionnement d'une Administration Ottomane. Il constitue par conséquent une mesure d'ordre intérieur, laquelle cependant ne pourra pas être appliquée aux sujets et au commerce Britanniques d'une manière contraire aux Traités existants,

* No. 12.

ni au Traité de Commerce actuellement en cours de négociation avec le Gouvernement de Sa Majesté la Reine.

L'accord qui s'est établi à cet égard entre les Délégués des deux Gouvernements et notamment l'échange de la Déclaration y afférente et la note du Ministère Impérial en date du 14 Février, 1891, qui l'accompagnait, excluent naturellement toute nouvelle discussion à ce sujet. Tant que la Sublime Porte ne s'écartera pas de cet accord, elle se croit fondée à conserver sa liberté d'action en matière de réglementation intérieure, les dispositions contenues dans la dite Déclaration constituant des garanties plus que suffisantes pour le Gouvernement de Sa Majesté Britannique contre une violation de ses droits.

Ces garanties par lesquelles la Sublime Porte veut prouver une fois de plus son respect pour ses engagements internationaux me paraissent de nature à rassurer pleinement le Gouvernement de Sa Majesté la Reine, je viens vous prier de vouloir bien engager les Délégués Britanniques à reprendre au plus tôt leurs réunions avec leurs collègues Ottomans pour la discussion des Articles relatifs aux questions douanières ainsi que des autres Articles du Traité restés en suspens.

Agréez, &c.
(Signé) SAÏD.

Inclosure 2 in No. 15.

Consul Wrench to Mr. Fane.

Sir, *Constantinople, February* 8, 1892.

I HAVE had the honour to receive your despatch of the 25th ultimo (with two inclosures herein returned) asking for my remarks on a note from Saïd Pasha of the 23rd January respecting the recent publication of a "Règlement Douanier" in the Turkish press.

The "Règlement" thus promulgated appears to be the one of which a copy was supplied to Her Majesty's Embassy by Mr. Law and myself in our despatch of the 14th July, 1890. But some important modifications of clauses of this "Règlement" have already been conceded to us in our negotiations with the Ottoman Delegates, notably by the signing by those Delegates of our Articles Nos. 21 and 22 of the new Treaty and of the Declaration concerning the parcels post. Beyond this Mr. Law and I have been in unofficial communication with the Vice-Director of Customs, in the course of which he himself, to meet our views, proposed various changes in the original Ottoman "Règlement."

Saïd Pasha now addresses a note to the Embassy, which appears to contain very distinct assurances that the Porte will respect the engagements it entered into with Her Majesty's late Ambassador by the note of the 14th February, 1891, and by the Declaration signed on the 17th of the same month by the British and Ottoman Delegates.

We have thus some grounds for assuming that the Porte did not, in publishing the "Règlement," contemplate enforcing it upon British commerce, nor upon the commerce of foreign Powers who would claim most-favoured-nation treatment.

The position, then, taken up by the Porte is an extraordinary one. On the one hand not only do they admit that they are prepared to modify the Ottoman "Règlement" at our suggestion, as they have bound themselves to do by the Declaration mentioned above, but they actually have modified it, as I have shown in the second paragraph to this despatch; nevertheless, they publish it in its original form, and Saïd Pasha, in his note, speaks of the right of the Porte to be free—naturally from foreign dictation—in a matter of internal administration.

The question thus arises whether the promulgated "Règlement" should be looked upon by us as a "mesure d'ordre intérieur," affecting Ottoman subjects only, or whether, considering the very stringent tone of Sir William White's note of the 3rd December, advantage should be taken of the present occasion to settle once for all the exact manner in which the "Règlement Ottoman" is to be amended to suit the requirements of British commerce and by virtue of the aforesaid Declaration.

Should the first alternative meet with approval, a notification from the Embassy to the Porte in the sense above indicated might be deemed sufficient; or should the second plan be thought worthy of consideration, it will not be out of place to state

that the Russian Delegate has made no progress in his efforts to amend the original Ottoman "Règlement Douanier."

The Russian Embassy possesses a Declaration and note from the Porte similar in all respects to our own of the 17th and 14th February, 1891, but when last summer M. Timiriaseff attempted to discuss the "Règlement" with Vice-Director of Customs he received a written refusal from the Director-General of Customs to cede certain very important points.

So serious did this ultimatum appear to M. Timiriaseff that he replied that, under such conditions, it would be useless to argue with the Customs authorities.

He has, in consequence, sought to introduce into the Russian Treaty lengthy Articles with a view to securing, as we proposed doing by our Treaty Articles 21 to 25, full protection against the unacceptable clauses of the original "Règlement." Unfortunately, I am not sanguine as matters now stand that we should find, did we resume negotiations, either four Ottoman colleagues or the less conciliatory Customs authorities prepared to accept some of the modifications in the Ottoman "Règlement" that are claimed by us in the amended copy which we drew up in association with M. Timiriaseff, and subsequently communicated to the Vice-Director of Customs. But also, it must be remembered, that we will require further emendations to that copy in consequence of the representations of the British Chamber of Commerce, whose views were reported to the Embassy in a despatch from Mr. Block and myself under date of the 3rd December last.

Saïd Pasha, in concluding his note, requests the Embassy to invite the Delegates to resume the commercial negotiations.

His Excellency appears to forget that the question of the "Règlement Douanier" was only one of the questions in dispute at the time of the suspension of the negotiations.

Sir William White addressed a Memorandum to the Grand Vizier in July last (see "Confidential Print, 1891. No. 85, Commercial," p. 76), to which, I believe, no answer has been returned beyond the one which the late Ambassador received through Sir A. Sandison, as mentioned on p. 83 of the same Print, and which he considered unsatisfactory. The Memorandum contained the points in the Treaty from which his Excellency stated he was not authorized to recede, and which apparently he had made up his mind to treat by direct negotiation with Saïd Pasha.

Further, a note was addressed by the Embassy to the Porte at the end of November last, reiterating a demand for certain tariffs and charges, which note is, I believe, without reply. The information demanded is most important, and has been promised by the Porte on more than one occasion.

It is, I venture to remark, clear from Sir William White's despatches that he considered that the commercial negotiations could not be resumed with any chance of a successful issue until the points above alluded to had been satisfactorily cleared up.

I have, &c.
(Signed) WILLIAM H. WRENCH.

No. 16.

Sir Clare Ford to the Marquis of Salisbury.—(*Received April* 16.)

(No. 31. Commercial.) *Constantinople, April* 6, 1892.

My Lord,

IN reply to your Lordship's despatch No. 13, Commercial, of the 27th February, respecting commercial negotiations between Great Britain and Turkey, requesting me to specify points upon which I may want instructions, and asking for any further observations which I may have to offer, I have the honour to state that I submitted your Lordship's despatch to our Delegate, Mr. Wrench.

I have now the honour to inclose copy of Mr. Wrench's reply with thirteen inclosures in original dealing exhaustively with each of the several points of the Treaty still in suspense.

It is, I consider, sufficient for me in this despatch to draw your Lordship's attention to Mr. Wrench's statement to the effect that the delay which has occurred in these negotiations is due to the Porte's pretensions to encroach upon the rights of foreigners, enjoyed by virtue of ancient Treaties and usage, and I would suggest,

for your Lordship's consideration, whether it would not be desirable to endeavour to obtain combined action on the part of the negotiating Powers with a view of warning the Porte of the serious political estrangement which would inevitably arise if it continued to pursue its present line of action. In the event of your Lordship approving this suggestion, I venture to submit that any proposals for such concerted action would best be made by your Lordship to the Powers direct.

I would respectfully request that, for facility of reference, I may be furnished with printed copies of the inclosures in Mr. Wrench's despatch which I have the honour to forward herewith in draft form.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 16.

Consul Wrench to Sir Clare Ford.

Sir, *Constantinople, April* 1, 1892.

I HAVE had the honour to receive your Excellency's despatch of the 9th ultimo, together with its inclosure herein returned.

In order to facilitate your Excellency's appreciation of the present position of the negotiations for a new Commercial Treaty with the Porte, and to assist your decision as to the instructions to be requested, I have prepared a separate Memorandum on each of the points that now remain in suspense, and I have added the expression of my own opinion as to whether further instructions are or are not necessary.

I have the honour to transmit these Memoranda—thirteen in number. It has been my endeavour to make each one as self-contained and concise as possible, and to facilitate reference, marginal notes are made, giving the pages of the Foreign Office Confidential Print 1890 (6078), and 1891 (6158), upon which will be found the correspondence relating to the subjects treated.

Your Excellency will perceive that in so far as I am able to judge, present instructions from Her Majesty's Government are considered necessary only with regard to Article 16 (Memorandum No. 6), and possibly also for Articles 21 to 25, and the "Règlement Douanier" (Memorandum No. 9).

I should here say that although I have drawn up Memoranda explanatory of the following Articles: Article 26, the application to Egypt and Bulgaria of the new Treaty and Tariff (Memorandum No. 10); Article 27, the Ancient Treaties (Memorandum No. 11), and Cyprus (Memorandum No. 12); I have ventured on no opinion as to instructions on these questions, which were reserved by Sir W. White for treatment by himself. Your Excellency having desired me to offer further observations upon subjects connected with these negotiations, I beg leave to submit the following remarks.

It may be stated without fear of contradiction, that in making a new Treaty with the European Powers, the Porte, not content with having secured purely commercial advantages, that is to say, with the increase of revenue to be derived from the higher taxation of merchandize under the new Tariff, is striving to obtain in the Treaty political advantages by undermining the rights conferred on foreigners by the Capitulations and by custom.

To this sole cause may be attributed the delay in concluding a Treaty with any other Power than Germany in negotiations that have dragged on since 1886. But the Porte maintains that the delay in question is caused by the Powers, attempting to interfere in matters of internal organization, and there is no doubt a great desire in Ottoman circles of forcing on a solution to the present deadlock. Having in hand their Treaty with Germany, the question of what use could be made of it has naturally arisen.

We have seen the German "Règlement Douanier" published in the Turkish press: with what object this was done we are left to guess. We know that the idea existed, perhaps exists still, of putting in force a portion of the German Treaty, probably in the hope of thereby introducing the thin end of the wedge. We also know that the application of the German Tariff to imports of all nations has been long ago talked of at the Customs Department; but the idea was then found to be impracticable owing to the non-completion of the bonded warehouses and for other considerations having no connection with European interests.

As time goes on the danger of having the German Treaty, Tariff, or "Règlement Douanier," in some form or other, thrust upon us, increases, unless in the meantime Treaties are concluded with some of the negotiating Powers.

But before these Treaties can be concluded, the Porte must be made to understand that the delay that has occurred is due to her action, and that her pretensions to encroach on the rights of foreigners have no place in a Commercial Treaty.

Whether combined action to the end on the part of the negotiating Powers is possible or even advisable is a question for the consideration of your Excellency.

The interests of these Powers are equally promoted by an endeavour to reduce the Porte's pretensions, and equally threatened by the arm the German Treaty affords.

As matters stand the Powers are the stationary target for the Porte's bolts. England, Austria, and Russia have suspended their negotiations *sine die*, and there seems to be a general opinion among them that it is of no use to resume them until these non-commercial questions are decided. France having only now begun negotiations has not reached these questions, and Italy without solving them, is now and again engaged in discussions which since last May have produced but one short Article.

I have, &c.
(Signed) WILLIAM H. WRENCH.

Inclosure 2 in No. 16.

Article 2 *of Treaty* (*signed* ad referendum).

THE British Delegates wish to introduce certain changes into this Article as signed.

The following is a copy of their new draft, with the proposed changes underlined.*

"Les sujets de chacune des deux Hautes Parties Contractantes ou leurs ayants cause pourront acheter dans toutes les parties du territoire de l'autre, soit qu'ils veuillent en faire le commerce à l'intérieur, soit qu'ils se proposent de les exporter, tous les articles provenant du sol ou de l'industrie.

"En tout ce qui concerne l'importation, l'exportation, le transit, *le chargement et le déchargement des navires*, la mise en entrepôt des marchandises, l'exercice du commerce intérieur, des métiers, et de l'industrie, la faculté de tenir magasins et établissements de commerce et d'industrie, *les marques de fabrique ou de commerce, les brevets d'invention*, les droits, impositions, et charges générales ou locales de toute espèce qui frappent ou qui frapperont le commerce intérieur et les produits nationaux du sol ou de l'industrie, les Sociétés Anonymes, et autres Sociétés Industrielles, les primes, les drawbacks, et les formalités douanières de toute espèce, chacune des deux Hautes Parties Contractantes s'engage à faire participer les sujets de l'autre Partie immédiatement et sans formalités à tous les privilèges, à tous les bénéfices, à toute réduction de droits, ainsi qu'à toutes autres exemptions qu'elle a accordées ou qu'elle accorderait par la suite aux nationaux les plus favorisés et aux sujets de la nation la plus favorisée.

"Il est toutefois bien entendu que pour tout ce qui concerne l'exercice du commerce intérieur, des métiers, et de l'industrie, la faculté de tenir magasin et établissement de commerce, et les Sociétés Anonymous et Sociétés Industrielles, ces privilèges et exemptions et cette égalité de traitement avec les nationaux les plus favorisés et les sujets de la nation la plus favorisée, ne sont accordés aux sujets de chacune des deux Hautes Parties Contractantes dans le territoire de l'autre qu'à la condition qu'ils soient sonmis en ces matières aux mêmes Règlements, taxes, et impôts que les nationaux et les sujets de la nation la plus favorisée.

"*Toutefois l'exécution des décisions rendues dans l'application des règlements, taxes, et impôts mentionnés plus haut ne pourra avoir lieu dans l'Empire Ottoman, sans l'assistance Consulaire, qui s'exercera également au cours de la procédure judiciaire dans le cas où celle-ci serait prescrite par les règlements concernant ces matières.*

"Il est également bien entendu que tout obstacle ou opposition à l'importation, à l'exportation, ou au transit, de tout article de commerce, produit du sol ou de l'industrie, à l'exception de ceux dont mention est faite dans le présent Article et

* *Italic* in print.

dans les Articles 18 (XVI) et 19 (XVII) de ce Traité, sera considéré comme une infraction à la présente Convention, et que les sujets de l'une ou de l'autre des Hautes Parties Contractantes qui pourront dûment et légalement prouver avoir subi les préjudices ou pertes par suite de tels obstacles ou oppositions recevront pleine justice, sauf dans le cas où la prohibition à l'exportation sera rendue nécessaire par des raisons locales impérieuses ou que la prohibition à l'exportation ou au transit de marchandises non comprises dans les Articles 18 (XVI) et 19 (XVII) du présent Traité serait dictée par des exigences sanitaires ou vétérinaires ou dans le but d'empêcher dans l'intérêt de l'agriculture la propagation d'insectes ou d'organismes nuisibles. Toutefois, chaque prohibition sera précédée d'un Avis officiel publié dans les journaux, portant à la connaissance du public la durée et les conditions y relatives."

The Ottoman Delegates, while offering no objections to the proposed alterations, seized with avidity the opportunity offered by their proposal to ask for the omission of the words "les plus favorisés" after the word "nationaux" in the second and third paragraphs, to this they attach great importance. The words objected to by the Porte do not appear in the corresponding Articles which have been signed by the Austrian, Italian, and Russian Delegates.

No instructions are required with respect to Article 2. The Marquis of Salisbury's despatch of the 29th April, 1891, contains the views of Her Majesty's Government, and the British Delegates have requested their Ottoman colleagues to present a declaration in the sense of these instructions.

Inclosure 3 in No. 16.

Article 3 of Treaty (not signed).

THE final consideration of this Article has been postponed until the other negotiating Powers shall have come to an agreement with the Porte upon the question of "surtaxes."

The German Treaty concedes the right to the Porte of levying "surtaxes" upon "les vins, les spiritueux, les papiers à cigarettes, le sucre, le café, la farine, les animaux, les combustibles, les cartes à jouer, les fruits, et les légumes. Russia has obtained in a signed Article the omission of "la farine" and "les animaux." Austria has obtained the omission, in the *procès-verbal* of the 4th April, 1891, of "papiers à cigarettes" and "cartes à jouer," but still demands the exemption of "sucre." Italy demands the omission of "vins" and "fruits et légumes." We have obtained a verbal promise that coal and coke will be exempted.

The question of municipal taxes and octroi duties will have to be considered in detail when this Article is again discussed. In the meantime, it may be remarked that Russia has frankly admitted the right of the Porte to levy municipal taxes in an Article corresponding in some respects to our Article 2, and which is as follows :—

"En tout ce qui concerne le droit de tenir magasins ou établissements de commerce, l'exercice du commerce, de l'industrie, et des métiers, les marques de fabrique et de commerce, les brevets d'invention, l'entreposage des marchandises, les primes et facilités douanières, les sujets de chacune des Hautes Parties Contractantes seront traités dans les États et possessions de l'autre sur le même pied et paieront à cet effet les mêmes taxes et droits que les nationaux et les étrangers de la nation la plus favorisée. En Turquie ces taxes et droits seront dûment et légalement imposés par les autorités locales et municipales, conformément aux Règlements arrêtés par le Gouvernement Impérial Ottoman et promulgués au moins trois mois avant leur mise en vigueur."

No further instructions are necessary with regard to Article 3 for the present, but may become so when octroi duties are discussed. The Porte has not satisfactorily replied to Sir W. White's note on this subject, dated the 24th September, 1891.

Inclosure 4 in No. 16.

Declaration concerning Article 9 of Treaty (signed ad referendum).

THE British Delegates have been in communication with the Vice-Director of the Customs with a view to obtaining further reductions in dues for the bonding of cheap goods. The question was not settled when negotiations were suspended in the summer of last year, although two alternative proposals, presented by the British Delegates, had long been under consideration at the Custom-house. The discussion of this question will be resumed when the Articles (21 to 25) regarding the Customs formalities and the "Règlement Douanier" are again taken up. The question is one of detail affecting the "Règlement Douanier" as well as the Declaration to Article 9.

No instructions are required at the present stage of the discussion.

Inclosure 5 in No. 16.

Article 5 of Treaty (signed ad referendum).

INSTRUCTIONS have been received from the Marquis of Salisbury which will necessitate an alteration in the concluding paragraph of this Article, in order to obtain, independently of any international right, customs immunity for Her Majesty's ships of war at Constantinople and at Bagdad, and for those temporarily in Ottoman waters.

No further instructions are required.

Inclosure 6 in No. 16.

Article 14 of Treaty (signed ad referendum).

IT has been decided by Her Majesty's Government that this Article, signed in June 1890, and modified in March 1891, is not satisfactory as regards its last paragraph, wherein it is stipulated that all new or increased dues for tonnage, port, dock, pilotage, anchorage, quay, lighthouse, quarantine, or similar matters, must be decreed by the Sublime Porte, and officially published three months before being put into force.

With the approval of the Marquis of Salisbury, based on the opinion of the Board of Trade, the late Ambassador demanded from the Porte that such new or increased dues should be imposed only with the consent of Her Majesty's Government.

While the Austrian Government is of the same opinion, and is prepared to maintain the same attitude as Her Majesty's Government, basing its action on a note from the Porte of the 10th March, 1880, the Austrian Delegates, in the Austro-Ottoman *procès-verbal* of the 4th April, 1891, suggest the suppression of the Article altogether, as one way of avoiding the difficulty.

The Italian Delegates have signed an Article similar to our own, but the Russian signed Article contains merely the stipulation that in the matter of these dues Russia shall receive most-favoured-nation treatment. The reasons that guided the British Delegates in signing *ad referendum* the Article as it now stands were explained on the 21st March, 1891.

No further instructions will be required until the Porte has replied to the note of Her Majesty's Embassy of the 24th September, 1891, reiterating the demand contained in Sir W. White's Memorandum of June 1891.

Inclosure 7 in No. 16.

Article 16 *of Treaty* (*signed* ad referendum).

BEFORE considering the present position of this Article, it would be well to look back on the history of the coasting trade in the Ottoman Empire, for it was the difficulties disclosed by this history that suggested a new departure.

The British Delegates were aware that the coasting trade in steamers was originated and developed under the British flag, they were also aware of the discussions regarding the right of British subjects to participate in the trade which, during the first forty years, had constantly arisen between Her Majesty's Government and the Porte. It appeared to them that, notwithstanding the repeated assertion of our right, made by successive Ambassadors, and supported by the Foreign Office, the practical result of almost every discussion was that the Porte carried its point at the expense of the British boats concerned.

In 1853 the British tug-boats had to retire from the Bosphorus before the "privilège exclusif" granted to the "Sherket-i-Khaïrié." The tugs were never, as far as the Delegates could ascertain, indemnified for the loss of the trade. In 1860 similar boats had to withdraw from Kadikeui. In 1872 they were practically driven from Maltépé, Cartal, and Pendik.* About 1880 the English Company that worked the Haïder-Pasha-Ismidt Railway was prevented from conveying passengers from Constantinople to the Haïder-Pasha terminus of their line by a boat built in England for this purpose. In 1885 a long and exhaustive discussion ended by Yahyah Pasha carrying out his "privilège exclusif" in the port of Smyrna, and, according to information received by the Delegates, in the Gulf of Smyrna also. In 1889 the British screw-steamer "Euxine," built in England expressly for the trade between Constantinople and Bartin, a port a few miles from the mouth of a river of the same name in the Black Sea, was forced to discontinue her voyages, which have not since been resumed; and in 1890 the same vessel was prevented from landing sheep, shipped at Panderma, at a landing-stage she had hired for the purpose at Constantinople, and was thus forced to land them in lighters, the loss and expense of which put an end to the traffic.

Difficulties had also occurred in more open waters, notably at Metylene and Tenedos, but in these cases the British boats eventually won the day.

Finally, the British Delegates were acquainted with the unsatisfactory condition of the few remaining British tug-coasters in the neighbourhood of the capital, as given in Memoranda of April 1882 and March 1891.

The position taken up by Her Majesty's Government in the oft-recurring discussions with the Porte is based on the Capitulations, more modern Treaties, and usage. This position has been often explained, and needs no further development here. But it might be well to condense in a brief paragraph the arguments of the Porte.

The Ottoman Government has long since sought to make a distinction between the "grand cabotage"—our right to participate in which is not challenged—and the "petit cabotage," from which it strives to oust us and all foreigners. The "grand cabotage," says the Porte, consists in the landing and embarking of goods and passengers in ports in the Marmora, Dardanelles, and other internal waters of Turkey, by sea-going vessels which leave an Ottoman and are bound to a foreign port, or which, coming from a foreign port, have a port of discharge in the Ottoman Empire. The right to engage in the "grand cabotage" is enjoyed by the French "Messageries," by the Austrian "Lloyd's," and, in fact, by vessels under any foreign flag.

The Porte maintains that it is this right that is referred to in the modern Treaties quoted by Her Majesty's Government in its various discussions with the Porte. But, argues the Turkish Government, the "petit cabotage" is quite a different thing. It consists in conveying goods and passengers by a service carried on by small boats, that never visit a foreign port, between one port and another in the waters, and especially in the territorial waters, of Turkey. It is one thing for a French steamer bound to Marseilles to call at Rodosto in the Marmora for a part cargo of wine, or at Ghemlek or Panderma for chrome or borax when cargo offers, and then to take passengers to and from those ports. Or again, for a British steamer bringing railway iron to Ismidt to convey to Constantinople from Ismidt any goods or passengers that may offer. But it is quite a different matter for small boats, which being under foreign flag, cannot be boarded by Turkish officials, to

establish a service between Constantinople and the ports of the Marmora, or between Smyrna and the villages in the gulf. This latter service is "petit cabotage," and the Porte likens it to a service of railway, post, or telegraph, which can only be carried on by special permission from the territorial Powers, and subject to the Regulations of its Police, Sanitary, and Customs authorities. The Porte further argues that by international right it has the power to reserve the coasting trade in the gulfs, bays, straits, and internal waters of the national flag.

Such is briefly the position taken up by the Porte. It appeared to the British Delegates that there was little or no prospect of future controversies ending to the material advantage of the small British coasters any more than they had in the first. On the one hand the Turkish Companies become each year more completely masters of the situation, by reason of the increasing number of their boats, of the establishment of regular lines to the different ports, of the erection at these ports of landing-stages of which they forbid the use to foreigners, and of the increased protection they now receive from the authorities, central and provincial. Their pretensions, consequently, are not likely to diminish as time goes on. On the other hand, the British coasters are becoming with each succeeding year less able to compete with their rivals, there being no encouragement for new boats to take the place of the old ones.

Under all these circumstances it appeared to the British Delegates that if they could frame an Article acceptable to the two Governments, defining anew and for twenty-one years to come the rights of British subjects with regard to coasting operations in Turkey, it might present an alternative, with some points in its favour, to the constant recurrence of controversies which would only become more embittered owing to the views of the Governments interested being divergent on all the questions at issue.

It was in this spirit that Article 16, with its two Annexes, was drawn up, revised, and finally signed *ad referendum*.

The following observations have been made with regard to the Article and its Annexes:—

1. That the question of the indemnity to the tugs engaged in coasting operations will have to be settled before the signing of the Treaty.
2. That the right to towing in the Marmora has been abandoned.
3. That "et cætera" after the words "Golfe de Smyrne" is too vague.
4. That the words "pendant la durée de ce Traité" are objectionable.
5. That the words "Détroits de la Mer Noire" should be effaced, and replaced by the word "Bosphore."

To these observations the following remarks apply:—

1. Both the Annexes to Article 16 are *pro-memorid*, and consequently with regard to each, written communication between Her Majesty's Embassy and the Porte is necessary before the Treaty is signed. In the one case payment of indemnity to the tugs has to be secured, in the other a formal note with respect to Messrs. Lynch's Company has to be obtained.

2. Since European sailing-vessels have been replaced by steamers, towing as an exclusive employment for tug-boats has ceased to pay; it was indeed on this account that tugs first took to the coasting trade. A few Italian and Greek sailers, and many small native craft, still require, when time is an object and the wind is contrary, to be towed against the currents in the Straits, but never in the Marmora. The English boats (those to be bought up) sometimes tow in the Bosphorus, sometimes coast in the Marmora. In the Dardanelles the British tugs, maintained by Mr. Grech for salvage operations, tow when the occasion arises, and as one of them other work, but as these boats gain handsomely by salvage, and as one of them would probably be placed under the Turkish flag, were towing a sufficient inducement, the British Delegates considered they had obtained all that was necessary in the way of towing when they secured the right of towing all vessels in distress, and of bringing ships to and taking them from their moorings in harbour. Both these are particularly needed, the first for bringing to Constantinople for repairs disabled vessels from the Dardanelles, Marmora, or Black Sea, the second for piloting large steamers to their berths.

3. The "et cætera," it should be observed, applies to "les eaux territoriales renfermées," and it was intended to include only gulfs the entrance to which should be sufficiently narrow to come within the term "renfermée." The Porte has hitherto claimed the 3-mile limit, and so long as they confine themselves to that

extent of territorial water, the "et cætera" will apply to gulfs 6 miles or less in width at the entrance.

Without venturing to approach so delicate a question as the extent of territorial waters, the British Delegates considered that the wording of this portion of the Article was sufficiently precise to protect any British interests that might now exist in the Gulf of Salonica, and to afford Her Majesty's Government good grounds for complaint were any such interests to spring up and be threatened in the future. Whether the Porte could be brought to accept any modification favourable to British views in the wording of the paragraph in question is open to doubt, they might prefer to have no Article, and to use those means of which they are masters, gradually to squeeze British boats out of the whole coasting trade of the Empire.

4. The words "pendant la durée de ce Traité," when removed from Article 18, as demanded by Sir William White, will, as a consequence, be omitted in this Article also.

5. The Ottoman Delegates, at the commencement of the negotiations, requested their British colleagues to mention the Bosphorus on all occasions by its proper official designation, "les Détroits de la Mer Noire." This name is employed in the Russian signed Articles, an example of which will be found later on; it does not, therefore, appear to be objected to by the Power most concerned. The request made to the late Ambassador appears to have its origin at Vienna, and further light might be thrown on the subject were our Ambassador to Austria requested to ascertain the views of the Government to which he is accredited.

The principal point, as affecting an alteration in the wording of the Article, appears to be that referred to under No. 3. It is at the same time the most delicate one to touch. To draft a phrase which would be perfectly satisfactory from our point of view would be to define the limit of the territorial waters of the Ottoman Empire for the next twenty-one years. As this can hardly be attempted, it may be worth consideration whether the difficulty would be met by the adoption of the present wording and by a note from Her Majesty's Embassy to the Porte, at the conclusion of the negotiation, laying down the interpretation of the paragraph above given as that put upon the "et cætera" by Her Majesty's Government.

The only Delegates besides the British that have as yet signed an Article regarding the coasting trade are the Russian. The following is an extract from their Article:—

"Le commerce de cabotage ainsi que toutes les opérations de sauvetage et le service des remorqueurs pour l'amarrage et le démarrage des bâtiments dans les ports, continueront à s'effectuer librement et sans entraves par les bâtiments Russes dans toutes les eaux de l'Empire Ottoman pendant la durée du présent Traité. Toutefois la Sublime Porte réserve au pavillon Ottoman le droit de cabotage dans la Mer de Marmora, dans les Détroits des Dardanelles, et de la Mer Noire et dans les eaux territoriales renfermées, telle que le Golfe de Smyrne, &c. Néanmoins, les bâtiments Russes, ayant pour point de départ ou de destination un port Russe ou étranger, pourront sur le passage faire escale pour embarquer, décharger, et transborder toute marchandise et passagers dans les ports et rades de la Mer de Marmora, dans les Détroits, et dans les eaux renfermées susmentionnées qui se trouvent sur leur route. Quant à la navigation des lacs et des fleuves, elle est également réservée au pavillon Ottoman, mais le port de la ville de Bassora, ainsi que les ports et villes qui se trouvent à une distance n'excédant pas 15 kilom. de la mer, seront considérés comme ports de mer ouverts à la navigation Russe. Il est toutefois entendu qu'en ce qui concerne le commerce de cabotage, soit en général, soit tel qu'il est limité par le présent Article, tout privilège et facilité qui est ou qui serait par la suite accordé aux sujets, aux bâtiments, ou à la navigation d'une autre Puissance, serait immédiatement et sans conditions accordé aux sujets, aux bâtiments, et à la navigation Russe."

In order to make the position clear, it is only now necessary to remark that Article 16 gives up no right enjoyed by Austria and France. It has been shown that the fine steamers under the flag of these and other Powers, including Great Britain, are engaged in what the Porte terms the "grand cabotage;" this privilege has been secured for our flag by paragraph 3 of our Article. Paragraph 1 of the Article indeed secures more than this. It provides for such voyages as are now carried on by Bell's Asia Minor Steam-ship Company, which starting from Smyrna

call at Chios, Varthi, Carlovassi, Chuluk, Calymnos, Cas, Symi, Rhodes, Macri, Kalamaki, Castelrosso, Adalia, Anamour, Selefkia, Mersina, and Alexandretta; also for those voyages now performed by Joly Victora and Co., which begin at Smyrna and include Chios, Metylene, Aivali, Dédéagatch, Lagos, Cavalla, Leros, Niceros, &c., to finish the voyages at Smyrna. Paragraph 4 secures to us the trade of the port of Bartin, as well as that of Bussorah.

The Porte wishes to prohibit the trade of the "petit cabotage," and to inforce the prohibition against foreigners generally, and it is this desire alone that induces the Ottoman Delegates to offer to buy out our tugs. It is not likely, therefore, that having once bought out competition with their own steamers, they would permit it to reappear by admitting that another English Company might at some future time engage in the trade.

The question for the decision of Her Majesty's Government is: Would it be preferable to make no mention of the coasting trade in the new Treaty, or to accept an Article similar to the one signed *ad referendum* as a fair compromise in a difficult situation?

Should the former alternative find favour, Her Majesty's Government must be prepared for ever recurring encroachments on our rights as hitherto maintained.

The tugs would continue an unequal struggle for some time, and would finally be starved out, without indemnity; possibly also Messrs. Lynch's Company might fail to obtain the formal extension of privileges that the Porte appears now willing to accord. Should the latter alternative be preferred, instructions will be necessary with respect to the five points above mentioned.

Inclosure 8 in No. 16.

Article 17 *of Treaty (not signed).*

THE Ottoman Delegates are not prepared to accept the draft of this Article presented by the British Delegates as instructed by Her Majesty's Government. It is as follows:—

"La Sublime Porte s'engage à ce qu'aucun droit de douane différentiel ne soit établi dans les Etats de Sa Majesté Impériale le Sultan et qu'aucune facilité, aucun privilège ou avantage ne soient accordés pour le transport ou le traitement de marchandises importées par certaines voies ou par certaines frontières, sans que les mêmes facilités, privilèges, et avantages soient accordés immédiatement et sans conditions aux marchandises similaires Anglaises importés par toute autre frontière ou voie de communication quelconques."

The Ottoman Delegates assert, and the Ministry of Public Works support their view, that the Porte has not reserved to itself in the various Railway Conventions the powers necessary for the acceptance of our conditions.

The British Delegates have endeavoured to prove, hitherto unsuccessfully, that the "Convention à quatre" of the 9th May, 1883, confers upon the Porte the requisite powers. The Russian Delegates have, since the suspension of our negotiations, presented and discussed an Article very similar to our own, but although they suggested that its conditions should be accepted by the Porte "dans les limites de ses droits et prérogatives," they have failed to obtain the signatures of the Ottoman Delegates to the Article.

No further instructions will be required until the Porte has made known its final decision as to the extent of the power it possesses under the "Convention à quatre."

Inclosure 9 in No. 16.

Article 18 *of Treaty (signed* ad referendum).

HER Majesty's late Ambassador has informed the Porte that his Government cannot accept the words "pendant la durée du présent Traité" in the sentence referring to the engagement not to establish monopolies. The question has been fully discussed last year, and the Porte's arguments in favour of the maintenance of

the words objected to appear in the concluding paragraphs of a Memorandum by the British Delegates dated the 5th March.

The Austrians have signed no Article regarding monopolies as they demand the freedom of "papiers à cigarettes," which the Porte is not willing to accord. The Italians in their signed Article admit monopolies "pendant la durée du présent Traité" upon petroleum and "papiers à cigarettes;" and the Russian Delegates in their signed Article, while introducing the words "pendant la durée du présent Traité," have obtained the omission of the words "sur le pétrole."

No further instructions are necessary until the Porte shall have answered the late Ambassador's note of the 24th September, 1891.

Inclosure 10 in No. 16.

Articles 21, 22, 23 (*signed* ad referendum), 24, 25 (*presented*), *and Règlement Douanier.*

THE stipulations of these Articles are all-important, as regulating the status of vessels and merchandize in connection with the Customs Department and as governing the detailed provisions of the "Règlement Douanier." The questions embraced by the Articles and Règlement appear to be the only ones now pending the solution of which renewed negotiations on the part of the British Delegates are absolutely required.

The British Delegates began the discussion of these questions with the intention of signing Treaty Articles which would secure full protection to British interests, the Articles to be made more concise later on when their conditions would to a great extent be transferred to an amended "Règlement." Subsequently the British Delegates found themselves obliged to turn their attention to the "Règlement," altering its provisions to suit the signed Articles, and to meet the wishes of the commercial community as regarded those that were unsigned. But no marked advance could be made either with the Articles or with the "Règlement," owing to the endeavour of the Ottoman authorities to secure extended and hitherto unrecognized powers for their Customs Administration, until June of last year when Treaty negotiations were suspended.

Since then the situation has somewhat changed.

In the first place the Russian Delegates have signed their Articles relating to Customs formalities. They have secured some substantial concessions from the Porte, notably with regard to custom-house guardians, and to the right of search on board ship or in warehouses and dwellings for contraband goods. Under the first head they have successfully resisted the demand of the Porte to place guardians on board foreign ships in Ottoman ports, and under the second they have agreed with their Turkish colleagues that the search in suspected ships or houses shall be conducted by the Russian authority at the request and with the assistance of the Customs.

But the Russian Delegates have failed to come to an understanding with the Customs authorities as regards the "Règlement Douanier."

In the second place the Porte has published in the Turkish local press the Ottoman "Règlement Douanier" as first drawn up. This action called forth an energetic protest from Sir William White, which was replied to by Saïd Pasha on the 23rd January last.

In the third place the amended "Règlement," compiled by the British and Russian Delegates, and communicated to the Vice-Director of Customs, no longer meets the requirements of the situation. It must be corrected to suit the Russian amendments, to introduce suggestions of the local British Chamber of Commerce, and, probably also, to meet the views of the London Customs Department, to which the late Ambassador suggested that it might be referred.

In connection with these Articles, it must be borne in mind that the Porte has not yet communicated to the Embassy the whole of the Tariffs demanded by Sir William White in the summer of 1890, and repeatedly redemanded.

The late Ambassador distinctly informed the Grand Vizier in June of last year that until the Tariffs and dues stipulated for by Her Majesty's Embassy in its notes are furnished, no further negotiation on these Articles can take place.

No instructions appear to be required at present unless it be in connection with the views of the London Customs Department.

In correspondence relating to Saïd Pasha's note of the 23rd January above mentioned, it was suggested that Her Majesty's Government might see fit to support Sir William White's protest of the 3rd December, 1891, by demanding an explanation of the exact manner in which the Ottoman "Règlement Douanier" should be amended in order to suit the requirements of British commerce. Hitherto the Ottoman Delegates have avoided the question, sheltering themselves behind the Porte and the Customs, and the Customs Vice-Director has sheltered himself behind the Porte. A Mixed Commission of the European Delegates and Customs authorities might solve the difficulty.

Inclosure 11 in No. 16.

Article 26 *of Treaty* (*not presented*).

THIS Article, which relates to the application of the new Treaty and Tariff to Egypt and Bulgaria, was reserved by Sir William White for treatment by himself. The British Delegates have consequently never mentioned the subject to which it relates at their meetings with their Ottoman colleagues, and it is only proposed now briefly to review the situation.

On the 31st March, 1890, Sir William White transmitted to the Foreign Office the Ottoman draft of the Article. It was identical with the XXIInd Article of the Turco-German Treaty, as well as with Articles that have since been signed *ad referendum* by the Austrian and Italian Delegates.

The Russian paragraph, in their corresponding Article, has now also been signed. It reads as follows:—

"Le présent Traité sera exécutoire dans toutes les possessions de l'Empire Ottoman, c'est-à-dire, dans tous les États de Sa Majesté Impériale le Sultan en Europe, en Asie, et en Afrique, y compris la Principauté vassale de Bulgarie et l'Égypte, sauf les arrangements spéciaux que le Gouvernement Impérial de Russie pourrait admettre pour ces deux provinces d'accord avec leurs Administrations locales dans les limites des privilèges conférés par la Sublime Porte. Les différences des droits de douane résultant par suite de ces modifications seront perçus à l'arrivée dans les autres parties de l'Empire des marchandises expédiées d'Égypte munies de raftiés."

The Ottoman text, which was not considered satisfactory by Sir William White, was communicated to Sir E. Baring and Mr. O'Conor. From the replies received it appeared that there was nothing in the Article inconsistent with the line Her Majesty's Government had taken up in Egypt, but Bulgaria declined to recognize any clause in the Treaty as applicable to the Principality proper or to Eastern Roumelia.

But the principal difficulty appears to be that pointed out by Mr. Bertie in the following passage: "By signing such an Article, we might be held to admit that in the absence of special Commercial Conventions with Bulgaria and Egypt, a foreign Power can claim the execution in Bulgaria and Egypt of a Commercial Treaty between such Power and the Porte." Sir William White also considers this the great difficulty.

On the 6th September, 1890, he alludes, firstly, to the point of view of Egypt and Bulgaria, from which point he considers the formula adopted by the Porte as objectionable; secondly, to the formula as regards ourselves, and here the late Ambassador seems to have thought that it might be desirable to accept it rather than have no Treaty at all; and, thirdly, as regards other Powers. "If any Governments have not concluded special arrangements with Bulgaria and Egypt, which will probably be the case with France, Russia, and some others, they will certainly avail themselves of their Treaty with the Sultan, claiming its execution in Bulgaria and Egypt."

Sir William White did not then see a way out of this difficulty, and his apprehensions, as above expressed, are confirmed in January 1891 by the Russian Consul-General in Egypt, who declares "that Egypt is bound by whatever arrangements the Porte makes with Russia, in the absence of any special Convention being concluded between Russia and Egypt."

Sir William White again reverts to the subject in February 1891, when he says:—

"Should any Power conclude a Treaty with Turkey, and not come to terms for

another arrangement with Egypt, it becomes highly probable that they will insist on their Turkish Treaty applying to Egypt, except on such points where the most-favoured-nation treatment will give them a more favourable position in that country."

Sir William White appeared to consider that as the new Egyptian customs duties would probably be lower on the whole than those of the new Ottoman Tariff, it was not likely that any Power would prefer the new Turkish to the new Egyptian Tariff, unless it were for political motives and with a view to support the Sultan as against his vassal, and to the material detriment of such vassal at the expense of the Power acting in this way.

We are thus led to infer that the likelihood of such preference of the Turkish to the Egyptian or the Bulgarian Tariff would become great were the latter Tariffs at any time to be higher than the former, and that the Powers unfriendly to Egypt and Bulgaria, having in the meantime abstained from making a special Commercial Convention with either, would then insist on the application of the Ottoman Tariff to the vassal provinces.

There is no evidence in the correspondence that Sir William White ever saw his way clearly out of the difficulty. At one time he made a tentative suggestion that in signing the Treaty a note should be addressed to the Porte with a reservation as to the rights acquired by Bulgaria under the Treaty of Berlin, and by Egypt under the Sultan's Firmans, but he was not sanguine as to the success of such a proceeding. By refusing to sign such an Article as the Porte proposes in our Treaty we could not prevent any other Power from inserting the Article in theirs, and Sir William White seems to have been at a loss to see how Egypt and Bulgaria could be protected from unpleasant discussions arising between them and Powers less friendly to them than ourselves. Beyond the above remarks, Sir William White merely mentions that fortunately this Article is put off to the end of the negotiations, and that he proposes to treat the question himself with the Minister of Foreign Affairs.

Inclosure 12 in No. 16.

Article 27 of Treaty (presented only).

THIS Article in our Treaty, if adopted in any form yet suggested, would decide whether the modifications introduced by the new Treaty into stipulations of the ancient Treaties (Capitulations) are to have the effect of annulling for all time the stipulations affected, or whether their effect is to be limited to modifying these stipulations only for the time during which the new Treaty will be in force. The argument presented by the Porte is briefly as follows.

Various stipulations of the old Treaties have been from time to time more or less changed by each successive Treaty concluded with a foreign Power. The original stipulations are no longer adapted to the age we live in, and to demand to return to them in their entirety at a future date is to ask an impossibility.

Her Majesty's Government considers that each Treaty modified the Capitulations for the time of its duration only, and in this sense an Article was drafted and presented to the Ottoman Delegates. They would not discuss it, but put in a counter-draft, which Sir William White considered unsatisfactory. The counter-draft is on the lines of the XXIVth Article of the ratified Turco-German Treaty, but with that one exception no negotiating Power has yet hit upon wording acceptable to both Parties.

In the Russian negotiations, which of late have been the most actively pursued, the following draft was presented to the Ottoman Delegates:—

"Tous les droits, privilèges, et immunités conférés par la Russie et la Turquie réciproquement en vertu des stipulations des Traités antérieurs sont confirmés, à l'exception des clauses que le présent Traité a pour objet de modifier pour le temps de sa durée."

Exception was taken to the last six words, and the Russian Special Delegate, being unable to solve the difficulty, has (on the 14th March) left Constantinople.

The Austrians propose to escape from the dilemma by proposing an Article which the Porte will accept, but by writing a note in which their views are placed upon record. Their proposed Article runs thus:—

"Article XXIV. Les droits conférés aux sujets, aux bâtiments, à la navigation, et au commerce de l'Autriche-Hongrie par les stipulations des anciens Traités et par les seneds Gouvernementaux du 15 Djemazi-el-Evel, 1160 (25 Mai, 1747) et du 2 Rebi-el-Achir, 1198 (24 Février, 1784), en tant qu'ils ne sont pas dérogés ou modifiés par le présent Traité, ne sont pas atteints par ce dernier et restent, par conséquent, en vigueur jusqu'à une entente qui serait établie d'un commun accord relativement aux modifications qu'on jugera utile d'y apporter."

The draft of the note to be addressed by the Austrian Embassy to the Porte is as follows:—

"A l'occasion de la signature du nouveau Traité de Commerce entre la Turquie et l'Autriche-Hongrie, le Soussigné a l'honneur de constater que le Gouvernement Impérial et Royal s'est vu engagé à adhérer à la rédaction de l'Article XXIV en supposant que la Sublime Porte n'entend pas interpréter cet Article dans un sens dérogatoire aux arrangements existants en dehors des anciens Traités, en tant que ces arrangements ne sont pas en contradiction avec les stipulations du présent Traité. Le Soussigné est autorisé de déclarer, par contre, que l'Autriche-Hongrie ne s'oppose pas à ce que les arrangements en question puissent être revisés d'un commun accord pour y introduire par une entente ultérieure les modifications qu'on jugera utile d'y apporter. Le Soussigné a l'honneur de prier votre Excellence de vouloir bien lui accuser réception de cette note et lui donner acte de la manière de voir du Gouvernement Impérial par rapport à la question susindiquée."

This Article being one of those which Sir William White reserved for discussion between himself and the Porte, it will be sufficient in this Memorandum to direct the attention of Her Majesty's Ambassador to the way now proposed by Austria for turning the difficulty.

Inclosure 13 in No. 16.

Cyprus.

THE manner in which special provision is to be made in the new Treaty for the protection of the interests of Cyprus has been discussed. On the 28th March, 1891, the Marquis of Salisbury proposed an additional paragraph to Article 28 of the Treaty. Sir William White, in reporting on this proposal, observed that it would appear to be most consonant to the interests of the inhabitants of Cyprus, and would certainly be most agreeable to the Sultan and his Government, that the *status quo* should be preserved, and that no mention of Cyprus should be made in the new Treaty. The correspondence was referred to the Colonial Office and the late Ambassador was requested to report as to how Cyprus is treated for customs purposes in those parts of Turkey under the direct rule of Constantinople. There is no evidence in the print that such a Report was made, but Sir H. Bulwer, to whom the correspondence was sent, discusses the whole question in a despatch dated the 7th July, 1891, from which it appears that Cyprus is treated by Turkey as a foreign country, herself treating Turkey and Egypt as foreign countries. His Excellency suggests that such treatment should be maintained, and that no mention should be made of Cyprus in the new Convention, unless it be to secure for the island most-favoured-nation treatment. This despatch was forwarded to Sir William White for his observations, and thus the matter appears to stand at present.

No instructions seem to be required until Her Majesty's Embassy has replied to the Marquis of Salisbury's No. 77, Commercial, of the 19th August, 1891.

Inclosure 14 in No. 16.

The Tariff (signed ad referendum*),*

THERE is still one question regarding the Tariff which arose in the course of the Treaty negotiations, but was not then settled.

The Porte demands that each negotiating Power shall annex to its Treaty the

edition of the new Specific Tariff, which was agreed to by its Delegates in conjunction with those of the Porte. This was done in the case of the German Treaty. The German Tariff, signed in 1885, was annexed to that Treaty, although it contains none of the modifications in the text, and none of the reductions in the duties which were secured, subsequent to its acceptance, by the Tariffs made with France, Italy, Austria, and Russia. Germany will, however, by most-favoured-nation treatment, profit by such modifications and reductions as shall appear in the Tariffs attached to the Treaties to be made with the above-mentioned Powers. The consequence will be that, should any one of the Powers that made a Tariff with the Porte fail to conclude a Treaty its Tariff would disappear, and the modifications and reductions that appeared only in such Tariff would be lost to all.

The position would become very serious should Austria fail to conclude a new Treaty with Turkey.

The Austrian Tariff was the last that was signed; it contains all concessions made to any Power during the course of the Tariff negotiations, with the exception of the latest concessions to Russia in the matter of flour and petroleum. These reduced taxes being entered in the Austrian Tariff make of that Tariff the "Tarif Unifié."

The British Delegates disputed the pretension of the Porte. They argued that the British Tariff was the first signed in 1885, and that consequently its duties were calculated on the then value of goods, which value had been falling steadily ever since, and that it was on this account that many reductions in taxes were subsequently made to other Powers. That alterations in the text, notably those regarding the united classification of iron and steel goods, which had been refused in spite of the arguments of the British Tariff Delegate, had, later on, been conceded when further examination proved the correctness of those arguments. Finally, that the British Tariff Delegate had been begged by his Ottoman colleagues to leave as they existed in the Ottoman draft the classification and taxes on certain articles in which England was not interested to the same extent as other countries. If they made to England, they explained, all possible concessions on wine and glass, they could not satisfy France and Austria when the time came to negotiate with them.

Taking the above arguments for their text, the British Delegates demanded the annexation of the Unified Tariff to the British Treaty.

The question has not lately been mooted, for should Austria sign her Treaty for twenty-one years, or should any other Power sign one, the difficulty might be solved without further British intervention.

Until this question is again raised no instructions are required.

No. 17.

Sir Clare Ford to the Marquis of Salisbury.—(*Received April* 16.)

(No. 33. Commercial.)

Constantinople, April 8, 1892.

My Lord,

I HAVE the honour to transmit herewith to your Lordship copy of a note which I have received from Saïd Pasha, Minister for Foreign Affairs, in which his Excellency requests me to furnish the British Delegates with the necessary instructions for resuming the Commercial Treaty negotiations.

I have the honour to transmit herewith to your Lordship copy of my reply to Saïd Pasha, in which I have drawn his Excellency's attention to the communication made to him by Sir William White on the 24th September last (see my despatch No. 21, Commercial, of the 24th ultimo), and have stated that as soon as a satisfactory solution of the points therein enumerated has been arrived at by the Sublime Porte, Her Majesty's Government hope to be able to comply with Saïd Pasha's wishes.

I would at the same time respectfully request your Lordship's instructions as to whether advantage should not be taken of the present occasion for the definitive amendment of the "Règlement Ottoman," as suggested in my despatch No. 28, Commercial, of the 31st ultimo.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 17.

Saïd Pasha to Sir Clare Ford.

Sublime Porte, le 7 Avril, 1892.

M. l'Ambassadeur,

LES négociations relatives au nouveau Traité de Commerce continuant à rester en suspens, j'ai l'honneur, en me référant aux conclusions de ma note du 23 Janvier dernier, de prier votre Excellence de vouloir bien, en vue de mener à bonne fin une œuvre si utile aux intérêts des deux pays, munir les Délégués Britanniques des instructions nécessaires pour la reprise au plus tôt de leurs réunions avec les Délégués Ottomans.

Dans l'attente d'une réponse favorable de votre Excellence, je saisis cette occasion, &c.

(Signé) SAID.

Inclosure 2 in No. 17.

Sir Clare Ford to Saïd Pasha.

Constantinople, April 8, 1892.

M. le Ministre,

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 7th instant, in which you ask me to furnish the British Delegates with the necessary instructions for resuming the negotiations for a new Commercial Treaty, which have for some time remained in suspense.

In reply, I have the honour to draw your Excellency's attention to the contents of the late Sir W. White's communication to you of the 24th September last, and to state that as soon as a satisfactory solution of the points therein enumerated has been arrived at by the Sublime Porte and communicated to Her Majesty's Embassy, Her Majesty's Government hopes to be in a position to furnish its Delegates with the necessary instructions for the renewal of the negotiations.

I avail, &c.
(Signed) FRANCIS CLARE FORD.

No. 18.

Board of Trade to Foreign Office.—(*Received April* 16.)

Board of Trade, London, April 14, 1892.

Sir,

WITH reference to Sir T. V. Lister's note of the 30th March, 1891, inclosing copies of a draft new Ottoman Tariff, and to previous correspondence on the subject of the proposed new Anglo-Turkish Commercial Treaty, I am directed by the Board of Trade to ask if any information which could conveniently be conveyed to this Department has been received at the Foreign Office in regard to the progress of the Treaty negotiations, and as to the probability or otherwise of the draft Tariff above referred to being put into operation.

I have, &c.
(Signed) R. GIFFEN.

No. 19.

Foreign Office to Board of Trade.

Foreign Office, April 21, 1892.

Sir,

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 14th instant relative to the Ottoman Tariff; and I am to state in reply, for the information of the Board of Trade, that negotiations are still proceeding between the Porte and the Powers; and that as under the new Tariff duties higher than those now levied will be charged on British goods, it is not desirable that Her Majesty's Government should take any action to hasten the application of the new Tariff.

I am, &c.
(Signed) JAMES W. LOWTHER.

No. 20.

The Marquis of Salisbury to Sir Clare Ford.

(No. 41. Commercial.)

Foreign Office, May 9, 1892.

Sir,

I HAVE had under my consideration your despatches Nos. 28, 31, and 33, Commercial, of the 31st March and 5th and 8th ultimo, respecting commercial negotiations with Turkey.

It appears from these papers that the proposed "Règlement Douanier," and possibly other points, are in some respects further advanced than they were when the British and Ottoman Delegates last met. The best course to be now taken would therefore seem to be that, when a meeting between the Delegates is next suggested, Mr. Wrench should attend in order to ascertain more exactly the present position of outstanding questions; and how far the Ottoman Delegates are now prepared to meet the representations which have been made on the part of Her Majesty's Government. Mr. Wrench should then report fully on the subjects.

I am, &c.

(Signed) SALISBURY.

No. 21.

Sir Clare Ford to the Marquis of Salisbury.—(Received June 4.)

(Telegraphic.) P. *Constantinople, June 3, 1892.*

MR. WRENCH proposes to meet Ottoman Delegates soon, in accordance with instructions in your Lordship's despatch of the 7th May.

I should be glad to receive your Lordship's instructions in regard to Articles 16, 26, and 27 of proposed new Treaty.

No. 22.

Sir Clare Ford to the Marquis of Salisbury.—(Received June 10.)

(No. 53. Commercial.)

Constantinople, June 4, 1892.

My Lord,

IN accordance with the instructions contained in your Lordship's despatch No. 41, Commercial, of the 9th ultimo, I requested Mr. Wrench, on the receipt of a fresh invitation from Saïd Pasha for the resumption of the commercial negotiations, to call unofficially upon Artin Pasha and to speak to him upon the points of the Treaty negotiations which are still in suspense.

I inclose a copy of my instructions to Mr. Wrench.

I have also the honour to inclose copy of a despatch from Mr. Wrench reporting his interview with Artin Pasha, from which your Lordship will perceive that the discussion of the points in dispute has been postponed till next week. In the meantime Mr. Wrench has asked to be furnished with instructions upon the views of Her Majesty's Government as regards Articles 16 ("cabotage"), 26 (Egypt and Bulgaria), and 27 (ancient Treaties), and I accordingly telegraphed yesterday to your Lordship requesting a decision by Her Majesty's Government upon those points.

I have, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 22.

Sir Clare Ford to Consul Wrench.

Constantinople, June 1, 1892.

Sir,

I HAVE received a despatch from the Marquis of Salisbury, No. 41, Commercial, of the 9th May, instructing me, when a meeting between the Delegates is next suggested by the Porte, to direct you to attend, in order to ascertain more

exactly the present position of outstanding questions and how far the Ottoman Delegates are now prepared to meet the representations which have been made on the part of Her Majesty's Government.

On the 19th May, 1892, I received a letter from Saïd Pasha, which, after enumerating the reasons which his Excellency considers have caused the suspension of negotiations, requests me to instruct the Delegates to meet their Ottoman colleagues.

Whilst I am of opinion that no substantial progress can be made in the Treaty at this moment by a formal meeting of the Delegates, I have to request you to call, unofficially, upon Artin Pasha, principal Ottoman Delegate, at his residence, and speak to him on the points of the Treaty which are now in suspense, and which have been under discussion between you.

You will endeavour to show to his Excellency that the delay which has occurred in the Treaty negotiations is not, as Saïd Pasha appears to imagine, due to the action of Her Majesty's Embassy, but is to be attributed to the divergence of views that exist between Her Majesty's Government and the Porte on certain vital points.

If Artin Pasha desires it, you may explain to him those points *in extenso*, as shown in your Memorandum of the 1st April last, and you will take note of his observations.

You will report to me if any of the points hitherto unsolved are now capable of a solution on the lines of the instructions of Her Majesty's Government, and how far the Ottoman Delegates are prepared to meet the representations which have been made.

You will make his Excellency clearly understand that Her Majesty's Embassy cannot recede from the position it has taken up, under categorical instructions from Her Majesty's Principal Secretary of State for Foreign Affairs, but should his Excellency desire to record the points at issue in a *procès-verbal*, to be signed by both parties, in order that there should be no misunderstanding in the future as to the real reason for the delay in the negotiations, you will report the same to me, and I will then give you instructions accordingly.

Mr. Block, Interpreter of the Embassy, will accompany you in case you require his services.

I am, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure 2 in No. 22.

Consul Wrench to Sir Clare Ford.

Constantinople, June 3, 1892.

Sir,

I HAVE the honour to report that in compliance with the instructions contained in your Excellency's despatch of yesterday's date, I this morning waited by appointment upon Artin Pasha at his residence, Mr. Block accompanied me.

Having informed Artin Pasha of the object of my visit as laid down in my instructions, I proceeded to show him that the delay which has occurred in the negotiations for a new Commercial Treaty was not in consequence of the absence on leave of the British Delegates; they, I explained, had not absented themselves until the negotiations had reached a deadlock, due to the fact that the Ottoman Delegates had not presented certain promised declarations, tariffs, &c., which I specified, and that they had also advanced pretensions to certain extended powers for their Customs Administration which Her Majesty's Government could not concede.

Artin Pasha began by dwelling at length upon the willingness that the late Sir W. White had shown, shortly previous to his last departure from Constantinople, to treat and settle all outstanding questions with the Minister of Foreign Affairs, Saïd Pasha. Of this fact, I observed, I had no previous knowledge.

Artin Pasha could not follow me in the enumeration of the points in abeyance, having lost sight of them for so many months, but proposed that I should recapitulate them at a meeting with his colleague, Bedros Effendi, and himself, to be held early next week at Bedros Effendi's residence. I informed the Pasha that this proposal appeared to meet your Excellency's views, and that at the proposed meeting I would mention the points insisted upon by Her Majesty's Embassy

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in consequence of instructions from Her Majesty's Government, and would take note of the concessions the Ottoman Delegates were prepared to make.

Artin Pasha added that upon those questions where divergence of views between Her Majesty's Government and the Porte still existed, a statement should be drawn up and signed by both the Ottoman Delegates and myself.

Artin Pasha suggested either Tuesday or Wednesday in next week for the meeting, and begged me to thank your Excellency for having sent me to speak to him.

I have the honour to request your Excellency's instructions in view of this proposed meeting. The proceedings will necessarily commence with what I should have stated to-day had not Artin Pasha's memory as to the merits and details of the several questions in abeyance, failed him. There is but one question which will be raised with regard to the signed Articles upon which I desire instructions, viz., Article 16 relating to the coasting trade, the position of which is explained at length in Memorandum No. 7 to my despatch of the 1st April last.

I shall also, in all probability, be asked the intentions of your Excellency with regard to the Article 26, relating to Egypt and Bulgaria, and Article 27 (ancient Treaties) (see Memoranda, Nos. 11 and 12, in my despatch of the 1st April), and would request your Excellency's instructions as to the reply I am to make.

I have, &c.
(Signed) WILLIAM H. WRENCH.

No. 23.

The Marquis of Salisbury to Sir Clare Ford.

(No. 58. Commercial.)

Foreign Office, June 21, 1892.

Sir,

I HAVE had under my consideration your Excellency's despatch No. 53, Commercial, of the 4th instant, in which you ask for instructions with respect to three of the Articles proposed to be inserted in the new Commercial Treaty with Turkey, namely, Article 16, relative to the coasting trade, Article 26, application of the new Treaty to Egypt and Bulgaria, and Article 27, the bearing of the new Treaty on the Capitulations.

In reply, I have to inform your Excellency that an Article in regard to the coasting trade, similar to that which was signed *ad referendum* on the 6th March, 1891, may be accepted on the following conditions:—

1. That the owners of the present tugs shall be compensated.

2. That if any restriction or prohibition is made in regard to the "petit cabotage" it shall be enforced against all foreigners alike.

3. That a definite and written agreement shall be come to with the Porte with regard to Messrs. Lynch's steamers between Bussorah and Bagdad.

4. That the right of British tugs to tow vessels in the Straits shall be settled in the sense of the suggestions made by Mr. Consul Wrench in the Memorandum which forms Inclosure 7 in your despatch No. 31, Commercial, of the 6th April last.

5. That it shall be clearly explained and agreed that the phrase "et cetera," inserted in Article 16 of the 6th March, 1891, only applies to territorial waters, that is to say, to waters within 3 miles from the coast, and, further, it only can be admitted to apply to bays which do not exceed 10 miles across at their mouth, Smyrna being excepted in this arrangement.

6. That the words in this Article, "pendant la durée du présent Traité," be omitted; and that, if it is necessary when the text of the Article is further settled, words shall be inserted stipulating that British subjects, and their trade and navigation, shall always enjoy whatever privileges or concessions are extended to other foreigners.

As regards Article 26, the views held by Her Majesty's Government with respect to the position of Egypt are fully explained in my despatch No. 156, Commercial, of the 17th December, 1891, to Sir E. Malet, a copy of which is in your possession.

Bulgaria, it is to be remembered, declines to recognize the application of Turkish Commercial Treaties to the Principality or to Eastern Roumelia.

Under the circumstances, I have to state that the best course will be to omit this Article from the Treaty; and I have to request that you will instruct Mr. Wrench to this effect.

Lastly, as regards Article 27, Her Majesty's Government, as your Excellency is aware, upon the advice of the Law Officers, hold that the Capitulations revive in full force on the expiry of any Treaty, by which for the time being their stipulations are modified.

As a means, however, of settling any difficulty on this point, I would not object to a settlement similar to that made by Austria, namely, an Article in the Treaty which the Porte will accept, worded in guarded terms, to be accompanied by a note, presented to the Porte at such time as in your Excellency's opinion seems most convenient and suitable, which shall place on record the views of Her Majesty's Government on this important question.

I am, &c.
(Signed) SALISBURY.

No. 24.

Sir Clare Ford to the Marquis of Salisbury.—(Received June 24.)

(No. 65. Commercial.)

Constantinople, June 20, 1892.

My Lord,

IN continuation of my despatch No. 53, Commercial, of the 4th instant, I have the honour to transmit herewith to your Lordship copy of a despatch which I have received from Mr. Wrench, reporting upon his meeting with the Ottoman Delegates for the conclusion of a Commercial Treaty, and inclosing a Memorandum showing the actual position of the several points in suspense.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 24.

Consul Wrench to Sir Clare Ford.

Constantinople, June 15, 1892.

Sir,

IN continuation of my Report of the 3rd instant relating the conversation I held with Artin Pasha, in compliance with your Excellency's instructions I have now the honour to report that on the 9th instant I met Artin Pasha and Bedros Effendi at the residence of the latter.

The interview lasted nearly three hours. I went over the points in our draft Treaty which are still in suspense, and have the honour to inclose a Memorandum showing the present position of each question.

A perusal of the Memorandum will at once make it evident to your Excellency that the Ottoman Delegates are prepared to meet the views of Her Majesty's Government on two points only.

They will erase from Article 18 the words, "pendant la durée du présent Traité," and they consent to annex to our Treaty the Unified Tariff, preceded, however, by an explanatory introduction.

With regard to the other Articles, a prospect of a solution is held out. The Ottoman Delegates undertake to draft a counter-proposal to our Article 17 regarding railway rates, which proposal they consider will satisfy the demands of Her Majesty's Government, and with regard to Article 27, "ancient Treaties," they propose that the question of the disappearance or revival of such clauses of the Capitulations as are modified by the new Treaty should be left as it now stands in dispute between the Porte and the Powers, without any attempt to prejudge it. It will be according to their present views time enough to seek a solution of this much-vexed question when such solution will be of practical importance, that is to say, when the new Treaty approaches its conclusion in twenty-one years' time.

Your Excellency will further remark that certain documents (mentioned below in brackets) are promised by the Ottoman Delegates.

In the absence of these documents no further progress can be made with Articles 2 (declaratory), 17 (counter-proposals), 21 to 25 (the Tariffs of porterage, &c.), 27 (the understanding with Russia), and finally they show no signs of modifying their attitude on the questions in suspense respecting Article 3 on the question of octroi, and Article 14 regarding port and other dues being fixed "d'un commun accord" between the two Governments.

There are two questions concerning Treaty Articles upon which I did not touch, viz., Article 10, to secure customs immunity for Her Majesty's ship "Comet" and other vessels of war, independent of international right, and Article 16, "cabotage."

I did not mention the former of these questions, as I was not prepared with a paragraph that had received the approval of your Excellency, and I omitted any mention of the Coasting Trade Act in consequence of having no instructions as to the views of Her Majesty's Government upon the questions submitted in Inclosure 7 to your Excellency's despatch No. 31, Commercial, of the 6th April last.

I did not in my interview allude to the "Règlement Douanier," for I knew that the Ottoman Delegates would give no satisfactory answer to any demand I might make with regard to the changes to be introduced into the "Règlement" to suit British interests, and also because this question had been submitted to Her Majesty's Government in your Excellency's Commercial despatch of the 31st March last.

The Ottoman Delegates inquired whether I had any instructions regarding Article 26 relating to application of new Treaty and Tariff to Egypt and Bulgaria, and upon my replying that I had not, they begged me to request your Excellency's immediate attention to this Article, and remarked that they had now signed it with all the other Powers, some of whom had granted more than they asked. This was an evident allusion to the Russian Article, a copy of which appears in Inclosure No. 11 in your Excellency's despatch of the 6th April above alluded to.

In conclusion, the Ottoman Delegates inquired when I would again meet them, to which I replied that, before a further meeting could be of use, I should require to submit to your Excellency the different documents with which they had promised to provide me.

I have, &c.
(Signed) WILLIAM H. WRENCH.

Inclosure 2 in No. 24.

Memorandum on points in new Treaty discussed at Meeting between Consul Wrench and Ottoman Delegates.

ARTICLE 2.—I informed the Turkish Delegates that Her Majesty's Government could not agree to their demand that the words "les plus favorisés" should be struck out after the word "nationaux" in first and second paragraphs; and reminded them that they had promised a declaration on the subject. They repeated arguments used before, and reported upon by Mr. Law and myself to the effect, that if these words were maintained it would be impossible for the Government to give in future to any native Company, or to any individual Turkish subject, any special privilege without exposing the Porte to a demand that a similar privilege should be extended to any subjects of a foreign Power possessing most-favoured-nation treatment. It would be tantamount to accepting humiliating conditions with regard to railways, gasworks, tramways, and other works of public utility, as well as to privileges with regard to the establishment of factories. They continued that if we would consent to the objectionable words being removed, they would give a declaration which would, they were convinced, satisfy Her Majesty's Government, that it would be only in exceptional cases that such exclusive privileges would be granted, and that British subjects would in all other matters enjoy the equal treatment with Ottoman subjects in general. I replied that I would submit their declaration to your Excellency, when received.

Article 3.—I stated that Her Majesty's Government desired that this Article, as far as it regarded "surtaxes," should be settled with the other negotiating Powers before being signed by us. To this the Ottoman Delegates replied that the Ottoman Government had given up, or were prepared to give up, at the desire of the other Powers, all surtaxes except on "café, spiritueux, fruits et légumes, et comestibles;"

and they suggested that our Treaty should enumerate these articles, followed by the word "à l'exception de la houille et du coke."

They were determined, notwithstanding the demands addressed to them by Austria and Italy, to maintain the "surtaxes" on the above-mentioned commodities.

With regard to the question of Municipal taxes, and especially of octroi, my Ottoman colleagues spoke as follows. They are prepared to insert in the Article a paragraph to the effect that British goods shall not be subjected by the Ottoman Government to any additional tax or charge, nor to taxes exceeding those specified in the Tariff annexed to the present Treaty; but they declared that they could not consider the proposal I made for the insertion of an additional clause rendering impossible the establishment of any other tax or charge of whatever denomination, because they did not intend to deprive their towns and ports of the right to levy octroi or other special taxes when they might be considered advisable for the embellishment of those towns, or supplement their Municipal revenues.

They quoted the cases of taxes established at Vathi, in the Island of Samos, and of Crete, and repeated the assurance already made that Her Majesty's Embassy would invariably in the future, as in the past, be consulted previous to the imposition of such additional taxation.

A long discussion ensued, but the Ottoman Delegates would make no concession on this point.

Article 14.—I stated with regard to this Article that Her Majesty's Government required a formal guarantee that no increased or new dues should be imposed except "d'un commun accord" between the two Governments. Here again the Ottoman Delegates showed no signs of deviating from their former attitude, and declared that not only they, but the Grand Vizier, or the Sultan himself, if appealed to, would resist to the utmost any such restriction on the freedom of action of the Imperial Ottoman Government. Although the Porte was prepared to consult Her Majesty's Embassy whenever it was proposed to augment existing dues or to create new ones, in the same way as has recently been done in the case of the light dues in the Red Sea, and would not object, when certain important innovations were contemplated, to write a note to the Embassy, as was done with regard to the quays of Constantinople, in 1880, by Savas Pasha to the Austrian Ambassador; yet they would never bind themselves to any such obligation in an International Agreement, nor even sign a separate declaration to that effect.

Article 17.—I inquired what instructions the Ottoman Delegates had received from their Government with regard to the acceptation of our draft Article concerning railway rates.

They replied that their instructions were categorical on this point, and did not permit them to accept our draft, but they thought they could meet our views, and proposed to draw up a counter-project which they would communicate to me in a few days.

Article 18.—I stated that Her Majesty's Government required the omission of the words "pendant la durée du présent Traité" in the paragraph of this Article relating to monopolies.

The Ottoman Delegates after some discussion consented to omit the obnoxious words. By so doing the sense of the paragraph would not be altered considering that at the expiration of the Treaty all its provisions would disappear.

Articles 21, 22, 23, 24, and 25.—I informed the Ottoman Delegates that Her Majesty's Government laid stress on the presentation by the Porte of the Tariff of porterage and extra dues so often demanded, before continuing the discussion of these Articles, but that I was prepared to receive any information as to concessions they were prepared to make.

They replied that orders had been given to the Customs Administration to prepare the Tariffs, and that they were under the impression that complete information had been given to Her Majesty's Embassy. The Secretary was instructed to make inquiries at the Custom-house, and to hasten on the matter if it was found that it had been neglected.

With regard to concessions they stated that several concessions had been made in negotiation with France and Russia, and they would give me copies of the Articles signed with the Delegates of those Powers as the models they proposed for our Articles. These copies have now been received and show two important modifications in the Ottoman proposals to us. In the first place no mention is made of the right of the Customs to place a guardian on board foreign vessels in Ottoman ports, and in the second place search for contraband goods on board foreign vessels,

or in the houses of foreigners, will be made by the Consular authority, in the presence of the officers of the Custom-house.

The Articles in question leave all details as well as many questions of importance decided by our corresponding Articles, to the "Règlement Douanier," and this shows once more the necessity of the Commercial Delegates of the negotiating Powers having a voice in the revision of this "Règlement."

Article 27.—I inquired whether the Ottoman Delegates were prepared to accept our draft Article concerning the ancient Treaties, to which they replied that as they had found great difficulty with settling the terms of this Article with all the Powers, they have determined to draft an Article which would not prejudge a question which did not concern the Treaty itself, but the period which might elapse between the expiry of the Treaty and the conclusion of a new one.

They stated, however, they had signed the Article with France and with Austria, and that they would give me a copy of what had been done. The copies of these two Articles having been received are herein transmitted. The Ottoman Delegates added that they were on the point of arriving at a settlement with Russia which would include an exchange of notes. They hoped in a few days to be in a position to give me a copy of their understanding with Russia, and would propose a similar understanding with us.

French Article.

ARTICLE I.

§ 1. Tous les droits, privilèges, et immunités conférés réciproquement par la France et la Turquie en vertu des Traités antérieurs sont confirmés, à l'exception des clauses qui auront été modifiées par le présent Traité.

Austrian Article.

ARTICLE XXIII.

Les droits conférés aux sujets, aux bâtiments, à la navigation, et au commerce de l'Autriche-Hongrie par les stipulations des anciens Traités et les "seneds" Gouvernementaux existants, en tant qu'ils ne seront pas dérangés ou modifiés par le présent Traité, ne seront pas atteints par ce dernier, et restent, par conséquent, en vigueur jusqu'à une attente ultérieure qui serait établie d'un commun accord relativement aux modifications qu'on jugera utile d'y apporter.

The Tariff.

I stated that Her Majesty's Government demanded the annexation of the Unified Tariff to our Treaty.

The Ottoman Delegates replied that although the Customs authorities insisted on the Tariff which had been concluded with us being annexed to our Treaty, they themselves saw no objection to our demand being granted, for the reasons which we had previously urged, and which I again quoted to them. Provided, however, that the Tariff was preceded by an introduction which should make it clear that the goods of those nations such as Servia, Montenegro, and Roumania, which did not enjoy most-favoured-nation treatment, would not of right be admitted into Turkey under the Unified Tariff, even when purchased by British subjects.

They explained that their commercial relations with these nations were on a different footing from those with European Powers in general, and they must be in a position to defend themselves should one of the nations quoted establish a Tariff hostile to Turkey.

No. 25.

The Marquis of Salisbury to Sir Clare Ford.

(No. 62. Commercial.) *Foreign Office, June 30, 1892.*

Sir,

I HAVE to acknowledge the receipt of your Excellency's despatch No. 65, Commercial, of the 20th instant, forwarding a further Report by Mr. Wrench on the present position of commercial negotiations with Turkey.

My despatch No. 58, Commercial, of the 21st of this month contains instructions on some of the points raised in the papers now submitted to me, and I await the further documents, to be supplied by the Ottoman Delegates, which are necessary to explain fully the statements now put forward.

I shall be glad to receive your Excellency's observations on the several points yet outstanding in the negotiations for a new Commercial Treaty with the Porte.

I am, &c.

(Signed) SALISBURY.

No. 26.

Sir Clare Ford to the Marquis of Salisbury.—(Received July 8.)

(No. 66. Commercial.) *Constantinople, June 23, 1892.*

My Lord,

WITH reference to your Lordship's despatch No. 41, Commercial, of the 9th May, I have the honour to transmit herewith to your Lordship Memoranda on the present position of the Austrian, French, Russian, and Italian negotiations for a Commercial Treaty with Turkey.

I have, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 26.

Memorandum on the present Position of the Austrian Commercial Negotiations.

IN April 1891, the Austrian Delegates having failed to arrive by negotiation at a conclusion of a Treaty, presented to their Turkish colleagues a *procès-verbal* containing the points, some ten in number, on which they could not yield. Copy of this *procès-verbal* was kindly given to Messrs. Law and Wrench, but it is unnecessary here to do more than give a résumé of it.

The preamble, Articles I, II, III, the Article relating to the "marques de fabrique," Article IV, the declaration in the Final Protocol with regard to certificates "d'origine," Articles 6, 7, 8, 9, 11, 14, 15, 17, the list of arms importation of which is permitted, the Article concerning imports of which the introduction and transit is prohibited, and Articles 21, 22, 23, 24 are agreed to, subject to some small modifications.

With regard, however, to Article 23, ancient Treaties, the Austrian Embassy has proposed to send a note to the Porte explanatory of the text, and desires to know what answer the Porte intends to give. The text of the Article proposed by the Austrian Delegates has not been accepted by the Ottoman Delegates.

In Article 5, the Ottoman Delegates will not accept the suppression of the surtax on sugar; there is also a difference of opinion as to Trieste rums; there is also a serious difficulty as to "octroi dues," explained later on in this Memorandum.

In Article X, "immunités douanières," the Austrians propose an Article and Annex which is not yet definitely accepted. The Austrians insist on articles for religious worship, &c., being imported free of duty.

The Austrians propose suppression of Article 12,* "droits maritimes," being unable to accept the text proposed by the Porte.

Article 16. "Monopolies." The Austrians insist on the monopoly of cigarette-paper being suppressed. The Turkish Delegates decline to give way.

Articles XIII, XVIII, XIX, and XX, "formalités douanières et perquisitions à bord." There are slight modifications in these Articles required by the Austrians

* Our Article 14.

which are not of great importance, the Ottoman Delegates consenting to recommend the proposals to the Porte.

In November [?] 1891 a further meeting was held between the Delegates of the two Powers, at which the Turkish Delegates endeavoured to induce the Austrian Delegates, one of whom had recently returned from leave at Vienna, to give way on the points at issue. The Austrian Delegates declined to concede a single point, and the meeting broke up without result of any kind, no *procès-verbal* being made.

In December 1891 the Grand Vizier desired to meet the Austrian Delegates, and consequently, at a meeting where Artin Pasha, the Ottoman Delegate, was present, a desultory conversation took place, wherein the Grand Vizier, in the vaguest manner, said he would hope to satisfy the Austrian Delegates on most of the points at issue, but that on two he would never yield, viz., the question of the monopoly on cigarette-paper and the question of octroi duties.

The Austrians desire to maintain alinea 2 of Article 5, which reads: "La Sublime Porte s'engage en outre à ne soumettre les articles de fabrication ou de provenance Autrichienne ou Hongroise importés dans l'Empire Ottoman à des droits d'entrée excédant ceux indiqués dans le Tarif ci-annexé et qui fait partie intégrante du présente Traité, ni à aucun autre droit ou charge, sous quelque dénomination et au profit de qui que ce soit." On these his Highness declared that he would never give way. The Austrians also declined to yield.

Since then no meeting has taken place, and even on the points in which the Grand Vizier said an arrangement might be possible nothing has been put into writing.

The Turkish Government instructed their Ambassador at Vienna to endeavour to persuade the Austrian Government to overrule the Delegates' objections, but the Austrian Government referred the matter here, stating that they did not intend to yield an iota unless others did.

Thus the Austrian Embassy is far from concluding the Treaty, and for more than a year have not progressed at all.

Inclosure 2 in No. 26.

Memorandum on the present Position of the Russian Commercial Negotiations.

THESE were actively pursued during the whole of 1891 and up to the middle of March of the present year, when the Russian Delegate, seeing the impossibility of making further progress, left Constantinople.

All the Articles of the Russian Treaty had then been signed *ad referendum*, with the exception of the following:—

Article 1. Referring to the ancient Treaties, the Russian draft of which appears on p. 98 of Print 6078.

Since M. Timiriazeff's departure the Russian Embassy has continued the discussion concerning the revival of the clauses of the Capitulations at the termination of the new Treaty, and a solution of the difficulty appears now to be arrived at by a proposal to put off all further discussion until the new Treaty approaches its end in twenty-one years' time.

Article 7. *Railway Rates.*—The Ottoman Delegates refused the Russian draft for the same reasons that induced them to reject our nearly similar draft (see Print 6158, p. 56). This question has also been treated by the Russian Embassy, and an alternative draft from the Ottoman Delegates is now expected.

Article 10. The original Russian draft proposed entire freedom in the Ottoman Empire for the storing of petroleum. The Russian Embassy Dragoman states that a verbal settlement of the difficulty has been arrived at. At Constantinople, Salonica, and Smyrna petroleum stores have been already granted in concession to private individuals, and it is agreed on both sides that these exceptions shall be mentioned in the Russian Article, thus making the freedom of storage obligatory in all other towns of Turkey.

Article 17. With regard to the passage of the Bosphorus and Dardanelles, negotiations on this question between the Russian Embassy and the Porte have been actively pursued, and your Excellency is fully informed as to their progress.

The points in abeyance of the Russian Treaty may thus be said to be reduced to those treated in Articles 7 and 17.

Constantinople, June 15, 1892.

Inclosure 3 in No. 26.

Memorandum on the present Position of French Commercial Negotiations.

THE French Delegate, M. Gazay, has but now returned from an absence of several weeks, and consequently particulars of the French negotiations have been unobtainable until to-day. M. Gazay having drafted the Articles of his Treaty from the corresponding Articles that have been signed by the Delegates of England, Austria, and Russia, has made very great progress in the few sittings held.

There are still several questions upon which he has not yet come to an agreement with his Ottoman colleagues.

The most important of these questions are:—

1. The taxation of foreigners engaged in the internal trade in Turkey, including the imposition of octroi and other municipal duties.

The French Delegate wishes to set forth in the Treaty, or in a Declaration, the exact nature of the taxes to which French subjects may be subjected under this Article of the Treaty.

2. The question of differential treatment of goods on Ottoman railways. In this question the French are in the same position as ourselves and the Russians.

3. The freedom of depôt, a question that does not greatly interest the French, but in which M. Gazay supports the Russian demands.

4. To secure the free introduction into Turkey of European gold coin, a matter which is not alluded to in the Tariff, and may thus give rise to difficulties as to the import duty to be levied.

5. The duration of the Treaty. This question has been referred to Paris, and an answer is awaited.

6. The French Delegate demands the annexation of the Unified Tariff to the French Treaty, and he thinks the point will be conceded.

M. Gazay appears to be of opinion that the first of the above questions is the one most important to French interests, and likely to occupy the most time in discussion. He does not anticipate much difficulty with the others. He has signed the Article regarding the ancient Treaties in the sense of the Treaty of 1861, and in speaking of it he used almost identical language with that quoted in the second paragraph of Inclosure 12 to Sir C. Ford's despatch No. 31, Commercial (p. 24, Confidential Print, 1892). M. Gazay has not yet entered into any discussions respecting the "Règlement Douanier," but intends to ask his Ottoman colleagues for a copy, and then to demand its assimilation to the Articles of his Treaty.

Constantinople, June 11, 1892.

Inclosure 4 in No. 26.

Memorandum on the present Position of the Italian Commercial Negotiations.

THE Italian Delegates are in accord with the Turkish Government on most of the points in their commercial negotiations. The points on which difficulties have arisen, and which are not yet settled, are:—

1. *The Preamble.*—The Italian Government wish to insert a clause stating that, though the Capitulations are modified during the duration of the Treaty, they revive in full force when the Treaty lapses.

They now propose to follow the Russians in postponing the question until the Treaty draws to a conclusion.

2. *Surtax on Wine, Fruit, and Vegetables.*—The Ottoman Government claim a right to impose a surtax on certain articles. The Italians allow the claim in the case of the articles enumerated in the Turkish draft, but refuse to permit it in the articles mentioned above.

3. *Railway Concessions.*—The Italian Government insist that they shall enjoy the same facilities and advantages with regard to railway rates, &c., as are enjoyed by any country whatever.

The Turks, having no power to modify existing Railway Conventions, find a difficulty in yielding this point.

4. *Materials for Hospitals and Schools.*—The Italian Government claim that these should be allowed to enter the Ottoman dominions free of duty.

No. 27.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 23.)

(No. 133. Commercial.)

My Lord, *Constantinople, November* 7, 1892.

AS your Lordship will have observed from the inclosure in my despatch No. 65, Commercial, of the 20th June, the Ottoman Delegates, at the meeting which was held on the 8th June last, informed Mr. Wrench that they agreed to omit the words "pendant la durée du présent Traité" from Article 18 concerning monopolies.

Consequently, the instructions conveyed in the Marquis of Salisbury's despatch No. 131 of the 29th October, 1890 (*vide* Confidential Print 6078, p. 172), and in his Lordship's despatch No. 48 of the 27th April, 1891 (*vide* Confidential Print 6158, p. 59), have been carried out.

I have, &c.

(Signed) FRANCIS CLARE FORD.

No. 28.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 23.)

(No. 134. Commercial.)

My Lord, *Constantinople, November* 7, 1892.

AS your Lordship will have observed from the inclosure in my despatch No. 65, Commercial, of the 20th June, the Ottoman Delegates declared to Mr. Wrench that they consented to annex to our Treaty the Unified Tariff preceded, however, by an explanatory introduction, as set forth in Mr. Wrench's Memorandum inclosed in his despatch of the 15th June, sent home in my despatch No. 65.

The Porte had hitherto demanded that each negotiating Power should annex to its Treaty the edition of the new Specific Tariff which was agreed to by its Delegates in conjunction with those of the Porte.

The Unified Tariff, now to be annexed to our Treaty, will contain all the concessions made to any Power during the course of the Tariff negotiations.

I have, &c.

(Signed) FRANCIS CLARE FORD.

No. 29.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 23.)

(No. 135. Commercial.)

My Lord, *Constantinople, November* 7, 1892.

I HAVE the honour to state, with reference to the commercial negotiations, that, at the request of the Turkish Government, I instructed Mr. Wrench to meet his Ottoman colleagues in order to ascertain whether any progress could be made in the conduct of those negotiations. I also authorized Mr. Block to accompany him in order to render him assistance.

These gentlemen have now reported to me, with regard to Article 2, that the Ottoman Delegates expressed their readiness to allow the words "les plus favorisés" to stand, and to drop the Declaration.

This matter is therefore settled in accordance with the instructions conveyed in the Marquis of Salisbury's despatch No. 51, Commercial, of the 27th April, 1891 (*vide* Confidential Print 6158, p. 60).

Our Delegates, however, postponed signing the Article 2 in consideration of the attitude which had been assumed by the French Delegate in dealing with the Porte on the subject-matter of that Article. France desires that the "Règlement, taxes, et impôts," to which foreigners, under the terms of the Article, may be subjected, should be specified in the Treaty itself or in a separate Declaration.

I therefore instructed Mr. Wrench to inform his Ottoman colleagues that before proceeding further with Article 2 (as well as with Article 3, which deals with a kindred subject) I wished to be assured that the text of neither of those

Articles could be interpreted into any admission on the part of Her Majesty's Government that the authorities in Turkey, Central or Provincial, Governmental or Municipal, possessed the right of imposing new Regulations or taxes, inclusive of octroi duties, without the previous consent of Her Majesty's Embassy having been obtained.

The Ottoman Delegates, however, would make no concession on this point, repeating what they had stated to Mr. Wrench at the meeting held on the 8th June last, namely, that they could not consider the proposal made for the insertion of an additional clause rendering impossible the establishment of any other tax or charge of whatever denomination, because they had no intention of depriving their towns and ports of the right to levy octroi or other special taxes when they might be deemed necessary or advisable to supplement their Municipal revenues; but they assured Mr. Wrench that the Porte would invariably in the future, as in the past, consult Her Majesty's Embassy previous to the imposition of such additional taxation.

Such is the present position of Article 2.

I trust that I shall meet with your Lordship's approval in going hand in hand in this matter with M. Cambon, my French colleague.

I have, &c.

(Signed) FRANCIS CLARE FORD.

No 30.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 23.)

(No. 136. Commercial.)

My Lord, *Constantinople, November* 7, 1892.

MESSRS. WRENCH AND BLOCK have reported to me that, at themeetings held at the Porte for the negotiations of the Commercial Treaty on the 18th and 25th of last month, the concluding paragraph of Article 10 has been modified so as to meet the objections raised in the late Sir W. White's despatch No. 49, Commercial, of the 1st April, 1891 (see Confidential Print 6158, p. 48*), and confirmed by the Marquis of Salisbury in his despatch No. 61, Commercial, of the 18th May, 1891 (see Confidential Print 6158, p. 69).

I inclose herein copy of the last paragraph in question, to which the Ottoman Delegates find no objection, and I shall await your Lordship's approval of it.

The Article, however, is not signed *ad referendum* in its modified form on account of the desire which has been expressed by the Ottoman Delegates that the allowances made to Diplomatic and Consular officers should be regulated by the amount of duty payable under the new Tariff on the articles imported instead of by the value of such articles. Messrs. Wrench and Block state they see no objection to this change.

I have, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure in No. 30.

Article 10 (*Dernier Paragraphe*).

IL est bien entendu que les stipulations de cet Article ne saurait porter nullement atteinte à la franchise douanière dont jouissent en vertu du droit international les Chefs des Missions Diplomatiques, ni à celle accordée aux stationnaires de l'Ambassade de Sa Majesté Britannique à Constantinople et aux bâtiments de guerre de Sa Majesté qui se trouveraient dans les autres ports de l'Empire Ottoman.

No. 31.

Sir Clare Ford to the Earl of Rosebery.—(Received November 23.)

(No. 137. Commercial.)

My Lord, *Constantinople, November 7, 1892.*

WITH reference to my immediately preceding despatch No. 136, Commercial, of to-day's date, I have the honour to inform your Lordship that, at the last meeting of the Delegates, Messrs. Wrench and Block endeavoured to persuade their Ottoman colleagues to accept the draft of Article XVII concerning most-favoured-nation treatment for transport of merchandize by railway in the Turkish dominions, which draft formed Inclosure 3 in the despatch No. 52 which the late Sir William White addressed to the Marquis of Salisbury on the 1st April, 1891. (*Vide* Confidential Print 6158, p. 55.)

His Lordship approved of the draft in his despatch No. 52, Commercial, of the 27th April, 1891. (*Vide* Confidential Print 6158, p. 60.)

The Ottoman Delegates, however, produced an alternative draft Article which they asserted had been agreed to by the Russian Delegates.

This draft being to all appearances even more advantageous than the one which the British Delegates had proposed was, after having been slightly amended by them, accepted and signed *ad referendum*.

A copy of this Article is herein inclosed for the consideration of Her Majesty's Government.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure in No. 31.

Article XVII.

EN ce qui concerne les modes du transport, les frais, les facilités, et autres avantages y afférents, le Gouvernement Ottoman s'engage dans les limites de ses droits et prérogatives, à traiter les marchandises produits du sol, de l'industrie, ou de provenances des États et possessions de Sa Majesté Britannique, transportées par voie ferrée dans l'Empire Ottoman exactement de la même manière que les marchandises importées par les sujets de la nation la plus favorisée ou la classe la plus favourisée parmi les sujets Ottomans. Il en sera de même pour les marchandises originaires des pays jouissant en Turquie du traitement de la nation la plus favorisée et importées par des sujets Britanniques ou leurs ayants cause.

Le Gouvernement Ottoman s'engage en conséquence à ne permettre à aucune Compagnie de chemin de fer existante ou qui se formerait à l'avenir d'établir pour les marchandises, produits du sol, de l'industrie, ou de provenance des États et possessions de Sa Majesté Britannique ni pour les marchandises des pays jouissant du traitement de la nation la plus favorisée et importées par les sujets Anglais ou leurs ayants cause un traitement différent ou moins favorable que pour toute autre marchandise étrangère.

Aucun avantage ou facilité ne sera accordé, à conditions égales, à une voie d'importation par chemin de fer sans que les mêmes avantages et facilités ne soient de même et immédiatement acquis aux autres voies d'importation par chemin de fer desservant le commerce Anglais.

(Signé) WILLIAM H. WRENCH.
ADAM BLOCK (*Temporary Delegate*).
ARTIN DADIAN.
B. COUZOUMGIAN

Le 25 Octobre, 1892

No. 32.

Sir Clare Ford to the Earl of Rosebery.—(Received November 23.)

(No. 138. Commercial.)

My Lord, *Constantinople, November 7, 1892.*

I HAVE the honour to report to your Lordship that, with regard to Articles 21 to 22 inclusive of the new Commercial Treaty with Turkey regulating customs formalities, Messrs. Wrench and Block have reported to me that, on this subject, they confined themselves at their last two meetings with the Ottoman Delegates to impressing upon these latter that none of "these Articles could be satisfactorily dealt with unless the Regulations ('Règlement Douanier') were amended with the assistance of the British Delegates."

I had instructed our Delegates to act in this manner in consequence of the 5th paragraph of the Marquis of Salisbury's despatch No. 23, Commercial, dated the 25th February, 1890, which was to the following effect:—

"With respect to the 'Règlement Douanier Ottoman,' a stipulation is necessary that it shall be settled in consultation with foreign Representatives." (Vide Confidential Print 6078, p. 11.)

The Ottoman Delegates could not admit that Regulations which affected the internal administration of the country should be submitted to and amended by us.

The position, therefore, of this particular question remains *in statu quo*.

The stipulations of the Articles of the Treaty affecting customs formalities will always, however carefully they may be framed, be to a considerable extent hampered by an ill-adapted "Règlement."

I would then propose, as regards this question, to endeavour to co-operate with my colleagues in the treatment of it.

I feel convinced that the Porte will not give way in the matter unless strong and united pressure on the part of those Powers who are negotiating fresh commercial Treaties with this country be brought to bear.

In my opinion, it is of paramount importance that we should not give way on this question, which, if allowed to be handled exclusively by the Porte, might be fraught with very evil consequence to British trade and navigation.

I have drawn up a Memorandum (a copy of which is inclosed) to guide me in my conversations with my colleagues on this subject; and I trust that my line of action in this particular may meet with your Lordship's approval.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure in No. 32.

Memorandum.

IN the course of negotiations for a new Commercial Treaty a great difficulty has been found in settling questions connected with Customs formalities. Such formalities, from their intricate nature, cannot be determined in detail by the clauses of a Commercial Treaty; only the leading principles can be established, and details must necessarily be relegated to a "Règlement Douanier," to which constant reference must be made in the Treaty. It therefore becomes of the greatest possible importance to the European Powers that the provisions of the new "Règlement Douanier" should be such as to contain no provisions which shall be detrimental to the interests of foreign subjects, commerce, and shipping.

The Ottoman "Règlement Douanier" as communicated "officiensement" to the Delegates does contain many such provisions. None of the Delegates of the European Powers have been able to come to an understanding with the Ottoman Delegates as to the very necessary amendments to be made in the "Règlement."

It is an admitted principle that all Ottoman Laws and Regulations affecting foreign subjects, and modifying the established régime, cannot be applied unless previously submitted to, and accepted by, the Representatives of the foreign Governments. Of late years may be mentioned the "Loi des Patentes," the "Loi sur les Timbres," the "Loi sur les Passeports," &c., which have been drawn up with the assistance of foreign Delegates.

Moreover, the Porte thought it necessary to submit to the examination and appreciation of foreign Embassies even the new Laws of Procedure, civil and criminal, and the "Règlement" for the execution of sentences which were discussed by foreign Delegates in presence of two Ottoman Delegates, one from the Porte and one from the Ministry of Justice.

The actual "Règlement Douanier" itself now in force was drawn up with the assistance of Delegates from the several Embassies.

There is every reason why this principle should be applied to the drawing up of the new "Règlement Douanier;" it is therefore proposed that the Ambassadors of the negotiating Powers should address a joint note ("note collective") to the Porte, stating that the new Treaty cannot be signed until an agreement be arrived at with regard to the terms of the "Règlement Douanier" which must be settled "d'un commun accord." The Porte would therefore be requested to institute a Commission at the Custom-house of which the Commercial Delegates of the European negotiating Powers would be members, in order to amend the present proposed "Règlement," which is both deficient and ill-adopted to commercial requirements, and to provide that it shall be in conformity with the provisions of the new Treaty as is laid down by the Porte's Declaration made at various times to the foreign Representatives.

No. 33.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 23.)

(No. 139. Commercial.)

My Lord, *Constantinople, November* 7, 1892.

I HAVE the honour to inform your Lordship that Messrs. Wrench and Block at their last meeting at the Porte on the Commercial Treaty negotiations informed the Ottoman Delegates that Her Majesty's Government could not recede from the position which they had invariably maintained with regard to Article 27 respecting *ancient Treaties*.

Inasmuch as it appears that there is no chance of being able to reconcile the divergent views of the two Governments on this point, Messrs. Wrench and Block propose that the Article in question should be entirely omitted from the Treaty, and that Her Majesty's Embassy should address a note to the Porte to the effect that owing to the apparently insurmountable difficulty experienced in drafting an Article which would be acceptable to the Contracting Parties, Her Majesty's Government will consent to the omission of Article 27 altogether from the new Treaty, that at the same time Her Majesty's Government will, under most-favoured-nation treatment, benefit by any advantages, concessions, and privileges, which may be contained in the corresponding Article which may be signed by other Powers, as to the question of the revival of the ancient Treaties in their entirety, at the expiration of the new Commercial Treaty, that Her Majesty's Government, while maintaining the attitude it has invariably adhered to, namely, that the effect of the new Treaty is to modify certain stipulations of the ancient Treaties for the time only during which it will remain in force, will consent to the further discussion of this question being postponed until the new Treaty is on the eve of expiring. Her Majesty's Embassy would conclude by requesting the Porte to take note of ("prendre acte") the views of Her Majesty's Government.

Such a proposal has not yet been made to the Porte, and I await your Lordship's instructions before making it.

It appears to me that if it were made and accepted by the Porte, it would extricate us from a very serious difficulty.

The Porte discountenances entirely our proposed draft (see Confidential Print 6158, p. 44), which the Marquis of Salisbury in his despatch No. 49, Commercial, of the 27th April, 1891, instructed the late Sir W. White to adhere to (see Confidential print 6158, p. 59). Nor does the Turkish draft meet the objections of Her Majesty's Government.

I inclose to your Lordship copies of the French, Austrian, and Russian Articles, which are also unsatisfactory, although I believe that the latter is to be accompanied by a note which is to be drawn up much in a similar sense to that above suggested.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 33.

Projet d'Article arrêté avec le Délégué Français.

TOUS les droits, privilèges, et immunités conférés réciproquement par la France et la Turquie en vertu des Traités antérieurs sont confirmés à l'exception des clauses qui auront été modifiées par le présent Traité.

Inclosure 2 in No. 33.

Projet d'Article arrêté avec les Délégués d'Autriche-Hongrie.

LES droits conférés aux sujets, à la navigation et au commerce de l'Autriche-Hongroie par les stipulations des anciens Traités et les seneds Gouvernementaux en date , en tant qu'ils ne sont pas dérogés ou modifiés par le présent Traité, ne sont pas atteints par ce dernier et restent, par conséquent, en vigueur jusqu'à une entente ultérieure qui serait établie d'un commun accord relativement aux modifications qu'on jugera utile d'y apporter.

Inclosure 3 in No. 33.

Russian Article.

Ancient Treaties.

TOUS les droits, privilèges, et immunités conférés par la Russie et la Turquie réciproquement en vertu des stipulations des Traités antérieurs sont confirmés à l'exception des clauses que le présent Traité a pour objet de modifier.

No. 34.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 23.)

(No. 140. Commercial.)

My Lord, *Constantinople, November* 7, 1892.

FROM a perusal of my previous seven Commercial despatches of this day, your Lordship will perceive that with the exception of five* points the commercial negotiations for a new Treaty remain *in statu quo*.

The five points are: Article 2, the retention of the words "les plus favorisés;" Article 10, the stipulation as to the "Comet" and other vessels of war in Turkish waters; Article 17, transport of British goods over Ottoman railways; Article 18, the omission of the words "pendant la durée de ce Traité;" and lastly, the annexation of the Unified Tariff to the Treaty.

My previously-mentioned despatches show what steps have been taken by Messrs. Wrench and Block with regard to the points of difference in Articles 2, 3, 21, to 25 inclusive, and 27.

There are, however, two questions in suspense which are not alluded to in my despatches of this day's date.

First, with regard to Article 14, Messrs. Wrench and Block informed their Ottoman colleagues that the instructions of Her Majesty's Government, conveyed in the Marquis of Salisbury's despatch No. 58, Commercial, of the 9th May, 1891 (Confidential Print 6158, p. 66), were very distinct, and that a formal guarantee was required that no new or increased dues for tonnage, port, dock, &c., should be levied except "d'un commun accord" between the two Governments. The Ottoman Delegates reiterated what they had said to Mr. Wrench on the subject at the meeting of the 8th June. As these words are to be found in the inclosure to Mr. Wrench's Report of the 15th June, which was sent home to your Lordship's predecessor in office in my despatch No. 65, Commercial, of the 20th June last, I do

* Dealt with in the preceding despatches Nos. 133 to 138.

not consider it necessary here to repeat them. I do not anticipate that any progress can be made in this Article at present, unless the Porte recedes from the position it has taken up, which is highly improbable, or unless your Lordship will authorize me to endeavour to persuade the Porte to agree by an interchange of *notes verbales* to bind themselves not to levy new or increased dues on British trade or shipping without the previous consent of Her Majesty's Embassy. In this manner the Article would remain as it now is.

Secondly, Article 26 (Egypt, Bulgaria) which I intend to treat personally with Saïd Pasha.

Messrs. Wrench and Block were asked by the Ottoman Delegates if they were prepared to accept the Ottoman draft of this Article (see German Treaty, Article XXII, Confidential Print 6078, p. 199).

They replied that they were not so prepared, nor had they any counter-proposal to make, as Her Majesty's Government preferred to omit the Article from the Treaty (see Lord Salisbury's despatch No. 58, Commercial, of the 21st June last). They explained to the Ottoman Delegates the difficulties surrounding this question as summarized in the Inclosure No. 11 in my despatch No. 31, Commercial, to the Foreign Office, of the 6th April last (see Confidential Print of April 1892, p. 23).

It appeared that the Ottoman Delegates had not hitherto understood the position; they stated that they would reconsider the matter, but pointed out that it would be in any case impossible to omit all reference to the provinces of the Ottoman dominions to which the Treaty applied, when they had accepted our Article 28 in which its application to British possessions is defined.

Thus your Lordship will see that our new Commercial Treaty is far from being concluded. On receipt of your Lordship's replies, however, to my despatches of this date, we may be able to make some further progress.

With regard to the new Treaties between Turkey and other negotiating Powers the position is almost the same as when I wrote my No. 66, Commercial, of the 23rd June, to the Marquis of Salisbury. Austria has made no appreciable progress during the last twelve months. France has the question of municipal taxes and octroi dues still pending. Italy from time to time resumes desultory negotiations which have not much practical result. Russia has several important points in suspense, such as the question of transit of war material through the Straits, and the question of ancient Treaties, which are being treated diplomatically.

The Porte may still find itself at a deadlock with all the negotiating Powers, by reason of the attitude it has taken up with regard to the "Règlement Douanier."

This question alone is sufficiently important to prevent any early conclusion of the Treaty. Nevertheless, I think it advisable that negotiations should not be entirely suspended, and I would therefore beg for an expression of your Lordship's views on all the points submitted in my despatches of this day's date.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 35.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 23.)

(No. 141. Commercial.)
My Lord, *Constantinople, November* 7, 1892.

WITH reference to my eight immediately preceding despatches I have the honour to inclose herein copy of the *note verbale* from the Sublime Porte which led to a resumption of *pourparlers* on the subject of the Anglo-Turkish Commercial Treaty.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure in No. 35.

Note Verbale.

CONFORMÉMENT à la demande contenue dans la note de feu Sir William White en date du 28 Novembre, 1891, ainsi que dans la note verbale de l'Ambassade de Sa Majesté Britannique en date du 8 Juillet dernier, le Ministère des Affaires Étrangères a l'honneur de lui transmettre ci-près un projet de Déclaration (Annexe A) destiné à expliquer le sens dans lequel les mots "Les nationaux les plus favorisés" devront être pris à l'Article (Annex B) touchant le traitement de la nation la plus favorisée en matière de transport par chemins de fer, ainsi que les projets d'Articles relatifs aux anciens Traités (Annexes C, D) arrêtés *ad referendum* entre les Délégués Ottomans et les Délégués de l'Autriche-Hongrie et de la France.

La transmission par le canal du Ministère Impérial des projets ci-dessus proposés par les Délégués Ottomans ne préjuge en rien, bien entendu, l'examen ultérieur que le Gouvernement Impérial se réserve de faire du projet de Traité tout entier.

Quant aux documents demandés au Ministère de la Marine et à l'Administration Générale des Contributions Indirectes pour servir de complément aux renseignements déjà transmis à l'Ambassade de Sa Majesté la Reine par la note Ministérielle du 25 Juin, 1891, le Ministère Impérial des Affaires Étrangères s'empresse de lui faire parvenir également, à titre d'information, les trois Tableaux ci-joints (Annexes E, F, G) qu'il vient de recevoir de l'Administration Générale précitée relatifs, le premier, aux attributions des *coldjis* et les deux autres aux tarifs des *hamals* de la Douane. En communiquant ces diverses pièces, son Excellence Hassan Fehmy Pacha fait remarquer que les attributions des *coldjis* sont tirées du Règlement Général sur les mesures propres à prévenir la contrebande (Destour, tom. II, page 558) et qu'en ce qui concerne les droits de quai et de grue aussi bien que ceux d'entreposage et de hamalage, le tarif de ces droits fait actuellement l'objet d'une revision complète ayant pour but de les réduire, conformément au principe établi par le nouveau Règlement Douanier, au strict minimum nécessaire à assurer les divers services que les dits droits sont destinés à rémunérer. Pour ce qui est des renseignements sur les taxes de mouillage entre les deux ponts et dans le port, l'exemplaire Anglais ci-joint (Annexe H) du Règlement sur le port de Constantinople donnera à cet égard toutes les informations nécessaires.

Les communications qui précèdent étant de nature à satisfaire pleinement l'Ambassade de Sa Majesté la Reine, le Ministère Impérial des Affaires Étrangères vient encore une fois exprimer l'espoir de voir les Délégués Anglais munis d'instructions définitives et catégoriques leur permettant de se réunir au plus tôt avec leurs collègues Ottomans pour terminer la rédaction du projet de Traité.

En faisant donc appel aux sentiments d'amitié du Gouvernement de Sa Majesté Britannique le Ministère Impérial est persuadé qu'elle voudra bien mettre un terme aux retards apportés au renouvellement du Traité de Commerce par la reprise immédiate des négociations.

Le 5 *Octobre*, 1892.

No. 36.

Sir Clare Ford to the Earl of Rosebery.—(*Received December* 14.)

(No. 156. Commercial.)
My Lord, *Constantinople, December* 1, 1892.

ON the 22nd April last, at the request of Colonel Mockler, I addressed a note to the Sublime Porte (copy inclosed), submitting a list of medicines destined for the hospital attached to Her Majesty's Consulate-General at Bagdad, and requested that they might be allowed to pass through the Custom-house without payment of duty.

I have the honour to inclose copy of the Sublime Porte's reply, declining to accede to my request.

As a matter of fact, the medicines have already passed the Custom-house, owing to a misconception of his instructions by one of the local officers.

Hospitals attached to religious Missions are allowed to have their medicines free of duty, by virtue of written Regulations (Aristarchi, "Législation Ottomane," vol. viii, p. 399); there is nothing laid down with respect to hospitals and dispensaries belonging to Government and attached to Consulates; but, by usage, they there enjoyed the privilege, which was admitted by the Sublime Porte in its *note verbale* of the 9th August, 1890 (copy inclosed).

There are other hospitals attached to Consulates, as, for instance, at Constantinople and Smyrna, and I learn that exception has been taken within the last week to admitting the medicines intended for the former.

The question does not seem to have been raised before 1890, in which, and the following year, the Sublime Porte was induced, but only after persistent efforts of the Embassy Dragomans, to allow the medicines for Bagdad to pass free of duty.

As, however, the Sublime Porte has now deliberately gone back on its decision, I venture to ask your Lordship's instructions as to what course I should pursue in the matter.

It would, of course, be possible for Colonel Mockler to have the medicines addressed to himself, and pass them through the Customs with a "Teskéré" as being for his personal use, since the hospital is actually attached to the Consulate, and is not merely a subventioned establishment, as is erroneously stated in the Porte's note. This course, however, is not one that recommends itself to my mind, as I have little doubt that the Sublime Porte would continue to raise objections.

If your Lordship is determined that the privilege shall not be abandoned, it would perhaps be well to obtain the insertion of a clause on the subject in Article X of the new Commercial Treaty, and in this connection I venture to refer your Lordship to my immediately succeeding despatch.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 36.

Note Verbale.

IN conformity with the arrangement come to with the Sublime Porte, Her Majesty's Embassy has the honour to submit herewith a list of medicines and medical appliances required for the use of the dispensary attached to Her Majesty's Consulate-General at Bagdad for the year ending the 31st December, 1892, and to request that instructions may be sent without delay for their free entry through the Custom-house.

Constantinople, April 22, 1892.

Inclosure 2 in No. 36.

Note Verbale.

EN réponse au *pro-memorid* que l'Ambassade de Sa Majesté Britannique a bien voulu lui adresser le 8 Juin dernier, le Ministère des Affaires Étrangères regrette de devoir l'informer que les institutions subventionnées par les Gouvernements étrangers ne pouvant bénéficier de l'immunité douanière, les médicaments destinés au dispensaire attaché au Consulat-Général d'Angleterre à Bagdad ne sauraient être remis en franchise de droits.

Sublime Porte, Ministère des Affaires Étrangères,
le 26 *Novembre*, 1892.

Inclosure 3 in No. 36.

Note Verbale.

LE Ministère des Affaires Étrangères a eu l'honneur de recevoir le *pro-memorid* que l'Ambassade de Sa Majesté Britannique a bien voulu lui adresser le 17 Octobre, 1888, au sujet du refus des autorités Douanières de Bagdad de remettre sans examen les effets destinés au médecin Major Bowman.

L'Administration des Contributions Indirectes, saisie de cette affaire, a fait savoir que la Douane de Bagdad avait refusé la remise des sept caisses arrivées à

l'adresse du Major Bowman parce qu'elles contenaient des médicaments et non pas des effets personnels pour lesquels l'Article 8 du Règlement de 1869 concède la franchise douanière.

Comme cependant l'Ambassade de Sa Majesté la Reine a déclaré depuis que les médicaments en question sont destinés au dispensaire attaché au Consulat-Général, l'Administration Générale des Contributions Indirectes a été invitée à faire remettre pour cette fois en franchise les caisses susmentionnées.

Le Ministère Impérial croit devoir ajouter qu'eu égard à la circonstance que le Major Bowman exerce également la médecine pour son propre compte, la franchise dont il s'agit ne pourra être désormais accordée aux médicaments arrivés à destination du Consulat-Général à moins d'une entente préalable avec l'Ambassade de Sa Majesté sur la quantité de produits pharmaceutiques qui lui seraient nécessaires durant une année pour son service spécial.

Sublime Porte, Ministère des Affaires Étrangères,
le 9 *Août*, 1890.

No. 37.

Sir Clare Ford to the Earl of Rosebery.—(Received December 14.)

(No. 157. Commercial.)

My Lord, *Constantinople, December* 1, 1892.

WITH reference to my despatch No. 136, Commercial, of the 7th November, respecting Article X of the new Commercial Treaty, and with reference to my immediately preceding despatch reporting the refusal of the Ottoman Government to grant free entry to the medicines destined for the Bagdad hospitals, I have the honour to inclose copy of a very complete Memorandum which has been drawn up by Mr. Block on the whole subject of Customs immunities in this country.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure in No. 37.

Memorandum by Mr. Block.

WHILST discussing Article X of the new Commercial Treaty at the Porte on the 25th instant, I introduced the question of the Customs immunities hitherto enjoyed by British hospitals, dispensaries, churches, and schools, of which no mention is made in our Article; and I incidentally further pointed out that there was a considerable curtailment of the immunities hitherto enjoyed in this respect by the members of Her Majesty's Embassy and Her Majesty's Consular officers. The Turkish Delegates having already signed *ad referendum* with the Delegates of other foreign Powers Articles on this subject, I had asked to have them communicated. I herewith inclose the French and Austrian Articles, the latter accompanied by a Declaration, and a copy also of the Italian Declaration.

The Russians have not got an Article on the subject, as I shall notice later on.

In the Austrian Article, all that requires notice here is that the Head of the Mission is the only diplomatic functionary whose goods are exempted from duty, whilst in our Article we have a paragraph (7) which mentions five classes of Embassy officials whose personal effects are free up to a certain sum, viz., a value of 25,000 piastres per annum, or, as the Turkish Delegates now wish to alter it, goods the duty of which will not exceed 3,000 piastres per annum.

In the Austrian Declaration, Custom exemption is given for objects of religious worship and for objects destined for convents, but there is even here a restriction of ancient privileges, since from henceforth each member of the convent ("religieux") will only be allowed goods the duty of which does not exceed 400 piastres per annum, and with the reserve that the goods for each convent do not exceed in duty 4,800 piastres per annum.

The Italian Article is the same as the German Article (see p. 196 of print of 1891), and, like it, is by far more restrictive than those signed with other Powers, but, by the Italian Declaration, schools are exempted from customs duty as regards "Articles de Bureau," &c., and the Italian hospital at Constantinople is also privileged.

But for all the schools in Turkey, goods only for which the duty does not exceed 20,000 piastres per annum are allowed, and the hospital is only allowed

goods to a duty value of 10,000 piastres. Again, fo all officials "de carrière" attached to the Embassy and Consulate-General at Constantinople, exemption is granted, but restricted to a duty value of 3,000 piastres for Conseillers, 1,500 piastres for First Dragomans, Secrétaires, and Vice-Consuls, and 1,000 piastres for other officials per annum per head.

The French Article is even less favourable than our own as regards immunities for Consular officers, and I am confidentially informed that the French Government are not quite satisfied with it, but whether it is intended to be altered or not I am not aware.

I desire to call your Excellency's attention to two points:—

1. All the Articles state that the exemption will be given after "*vérification douanière.*" This is a novel restriction; hitherto Diplomatic and Consular officers, Dragomans, and churches, schools, and hospitals have never submitted their effects to such "*vérification.*" How great this privilege has been in Ottoman Custom-houses with careless and suspicious officials I need not point out.

2. The Italian Declaration covers schools, but only those "fondées et patronnées" by the Italian Government. British schools could not, I believe, benefit by this Declaration, as British Mission schools would not come within this category.

I discussed this latter question informally with the Ottoman Delegates, but they said they could not make any suggestions, &c.; the Council of Ministers would not permit them to make any further concession; indeed, they said that the Council of Ministers objected to what was already signed with Italy, France, and Austria, and desired to adhere to the German Article (Article X, Confidential, Commercial Print, April 1891, No. 6078, p. 196).

I further asked the Ottoman Delegates what was intended with regard to our hospitals at Constantinople, Smyrna, and Bagdad, which had hitherto enjoyed exemption from duty and from "*vérification.*"

The Ottoman Delegates stated they could make no provision for them: all they could suggest was that the Foreign Minister might possibly be induced to write a note on the signature of the Treaty, stating that the hospitals attached to British Consulates should continue as in the past to enjoy the privilege hitherto granted. But will the Foreign Minister consent to do this?

These British hospitals stand on a different footing to hospitals or dispensaries attached to Missions, and whilst they have hitherto always enjoyed Custom-house immunities there have been from time to time difficulties raised in this respect by local officials, especially at Bagdad. In this latter place, our hospital indents annually for large quantities of medicine provided by the Indian Government, and we have had great difficulty of late years in prevailing on the Porte to allow them to pass free of duty. If no steps are now taken to confirm the usage hitherto observed, the Porte will decline to accede to our request in the future, once the Treaty is signed.

With regard now to churches, schools, and Missions, the Regulation on the subject is found in Aristarchi's "Législation Ottomane," vol. iii, p. 399. It commences with the words "Des privilèges ayant été accordés *ab antiquo* aux diverses communautés religieuses de l'Empire, et l'exemption des droits de douane étant le principal et le plus important de ces privilèges, le Gouvernement Ottoman a voulu les consacrer aujourd'hui." . . . . Le 7 Zilhidje, 1281.

Also, on the 15th May, 1867, Fuad Pasha, then Minister for Foreign Affairs, addressed a despatch to the Ottoman Ministers abroad, inclosing a "Mémoire" on the subject. This "Mémoire" contains what are called "quelques considérations générales sur les principes généraux consacrés par le Firman Impérial du 18 Février, 1856." This Mémoire is to be found in Aristarchi's "Législation Ottomane," vol. ii, p. 24, and on p. 29, paragraph 2 reads as follows:—

"Les objets qui sont destinés à l'exercice des cultes non-Musulmans sont exemptés des droits de Douane au même titre que les objets consacrés au culte des Musulmans."

Is it now intended to withdraw the Regulation in question? For churches we may rely on the Austrian Declaration, but for schools the Italian Declaration will not profit us, as our schools are not "patronnés," and for hospitals we have nothing in the new Treaty to rely upon except the Italian Declaration for their hospital at Constantinople.

Would it then be better to follow the Russians, who have no Article at all, and, omitting all mention of churches, hospitals, and schools, presume on the existence

of the *status quo?* In that case, however, may it not be as well to have some confirmation from the Foreign Minister that it is not intended to restrict the ancient privileges hitherto accorded by the Ottoman Government.

Lastly, as to the privileges of Diplomatic and Consular officers.

By our Article the Physician, the Chaplain, the Dragomans, with the exception of the First and Second, the latter being Mr. Stavrides, employed at the Consulate-General, and the Assistants are now left out.

At the Consulate-General the Assistant Judge and Dragomans are omitted, and some others of the Staff hitherto enjoying the privilege, for although the Assistant Judge has the rank of Consul, as well as some of the Dragomans that of Consul or Vice-Consul, the Turkish Government has no cognizance of the fact, nor would they admit more than one Consul to be officially recognized.

In the provinces, also, the privilege is much restricted. Article LIV of the Treaty of September 1610, between Turkey and the Netherlands, states that "*Les Ambassadeurs, Consuls, et Drogmans* seront exempts de la Douane pour les effets qui servent de présents et pour leur usage," &c. (see Hertslet's Treaties on Trade between Great Britain and Turkey, p. 133).

The Porte has always admitted this privilege, and, in conformity therewith, to regulate the matter issued to the foreign Embassies and Legations in 1869, 15th (27th) July, the Regulations which have been acted upon up to the present time. (See Hertslet's Treaties between Great Britain and Turkey, p. 78.) By these Regulations *Consuls-General, Consuls, and Vice-Consuls* not engaged in trade are exempted from duty on articles or effects intended for their personal use. *Their cases or packages shall not be opened or submitted to any search.* (Article I.) *Consuls-General, Consuls, and Vice-Consuls* engaged in trade up to the limit of an annual value of 25,000 piastres for Consuls-General, 20,000 piastres for Consuls, and 10,000 piastres for Vice-Consuls. (Article II.) And by Article IX the privilege is extended to *two superior officers* of a Consulate-General, and *one superior officer* of a Consulate.

These Regulations were communicated to Her Majesty's Embassy in a note of Aaly Pasha, dated the 14th July, 1869.

It is clearly intended now to restrict the privileges granted *ab antiquo* to Diplomatic and Consular officers, and that also, henceforth, their cases are to be opened and contents verified.

If that proposal is accepted, then the Regulations of 1869 become null and void.

The Russians, by the fact of their having no Article on the subject, have evidently declined to accept any restrictions either with regard to churches, hospitals, or missions, or with regard to Diplomatic and Consular officers, and I have thought expedient to write fully on the subject in case your Excellency should desire to take steps to ascertain exactly what our future position under the new Treaty will be. With regard to Diplomatic and Consular officers the point may not be very important, but the question of schools and hospitals is one which, in my humble opinion, requires some attention.

Constantinople, November 16, 1892.

No. 38.

The Earl of Rosebery to Sir Clare Ford.

(No. 111. Commercial.)

Sir, *Foreign Office, December* 17, 1892.

I HAVE received your Excellency's despatch No. 133, Commercial, of the 7th ultimo, relative to the amendment of Article XVIII in the Commercial Treaty now in course of negotiation at Constantinople.

I have learnt with satisfaction that an agreement has been come to on this point.

I am, &c.
(Signed) ROSEBERY.

No. 39.

The Earl of Rosebery to Sir Clare Ford.

(No. 112. Commercial.)

Foreign Office, December 17, 1892.

Sir,

I HAVE received your Excellency's despatch No. 134, Commercial, of the 7th ultimo, reporting that the new Ottoman Tariff will be annexed to the Treaty with this country now in course of negotiation. I shall be glad to receive either an early copy of this Tariff in its complete form, if it has been altered from the shape in which it has been already received and printed at this Office; or a statement that the print which has been supplied to Her Majesty's Embassy shows this Tariff in its final shape. If it has been altered one of the copies supplied to the Embassy, with the subsequent alterations clearly indicated on it, should be retured to this Office.

I shall further be glad to learn whether your Excellency thinks it likely that the Porte will seek to put the new Tariff into force before the Treaties with European Powers are concluded, and, if so, at what date you think this may be done.

I am, &c.

(Signed) ROSEBERY.

No. 40.

The Earl of Rosebery to Sir Clare Ford.

(No. 113. Commercial.)

Foreign Office, December 17, 1892.

Sir,

I HAVE to acknowledge the receipt of your Excellency's despatch No. 135, Commercial, of the 7th ultimo, in regard to the question of local taxes and regulations in Turkey.

In reply, I have to state that I approve of your acting in this matter in concert with the French Ambassador and with other foreign Representatives.

I am, &c.

(Signed) ROSEBERY.

No. 41.

The Earl of Rosebery to Sir Clare Ford.

(No. 114. Commercial.)

Foreign Office, December 17, 1892.

Sir,

I APPROVE the draft inclosed in your Excellency's despatch No. 136, Commercial, of the 7th ultimo, of the last paragraph of Article X, relative to Customs immunities of the new Commercial Treaty now in course of negotiation.

I am, &c.

(Signed) ROSEBERY.

No. 42.

The Earl of Rosebery to Sir Clare Ford.

(No. 115. Commercial.)

Foreign Office, December 17, 1892.

Sir,

I APPROVE the draft inclosed in your Excellency's despatch No. 137, Commercial, of the 7th ultimo, of Article XVII, relative to the transport of merchandize by railway, of the new Commercial Treaty now in course of negotiation.

I am, &c.

(Signed) ROSEBERY.

No. 43.

The Earl of Rosebery to Sir Clare Ford.

(No. 116. Commercial.)

Foreign Office, December 17, 1892.

Sir,

I HAVE had under my consideration your Excellency's despatch No. 138, Commercial, of the 7th ultimo, on the subject of Turkish Customs formalities, and the proposed "Règlement Douanier Ottoman."

In reply, I have to approve your action in this matter; and I authorize you to proceed in regard to it in concert with the other foreign Representatives at Constantinople.

I am, &c.

(Signed) ROSEBERY.

No. 44.

The Earl of Rosebery to Sir Clare Ford.

(No. 117. Commercial.)

Foreign Office, December 19, 1892.

Sir,

I HAVE had under my consideration your Excellency's despatch No. 139, Commercial, of the 7th ultimo, relative to the form of Article to be inserted in the new Commercial Treaty with Turkey bearing upon the Capitulations.

This question is one of the most important subjects to be considered in connection with the negotiation of a new Commercial Treaty with Turkey. It seems to Her Majesty's Government that it is preferable that a distinct stipulation in regard to it should be contained in the British Treaty rather than that British rights should be dependent, under a most-favoured-nation treatment clause, on the engagements contained in Treaties between the Porte and other Powers. It further seems advisable that, in the common interests of the European Powers in this important question, their Representatives at Constantinople should act in concert in regard to it.

The proposed Russian Article, with its accompanying note, appears to present a way, sufficiently satisfactory, of dealing with this difficulty.

I am, &c.

(Signed) ROSEBERY.

No. 45.

The Earl of Rosebery to Sir Clare Ford.

(No. 118. Commercial.)

Foreign Office, December 19, 1892.

Sir,

IN reply to the request contained in your Excellency's despatch No. 140, Commercial, of the 7th ultimo, for instructions in regard to Articles XIV and XXVI in the new Treaty of Commerce now in negotiation, I have to observe that as regards the question of shipping dues involved in the former Article, the best course under present circumstances would be for you to confer with the Representatives of other Powers on this point; also, in order, if possible, to arrive at a common understanding on the subject.

With regard to Article XXVI relative to Egypt and Bulgaria, I will await your report of your intended personal communication with the Porte on this question.

I am, &c.

(Signed) ROSEBERY.

No. 46.

The Earl of Rosebery to Sir Clare Ford.

(No. 119. Commercial.)

Sir, *Foreign Office, December* 10, 1892.

I HAVE to acknowledge the receipt of your Excellency's despatches Nos. 156 and 157, Commercial, of the 1st instant, relative to the question of Customs immunities in Turkey.

This subject is not free from certain difficulties in regard to the present practice of nations, and as regards the extent to which Her Majesty's Government are in a position to grant reciprocity in these matters. In any new stipulation on the subject, if Her Majesty's Government cannot elicit a satisfactory assurance from the Porte, a declaration must be made that it is understood that it is not intended to interfere with the ancient privileges conceded by the Ottoman Government.

I have, therefore, to ask your Excellency's opinion whether on the whole it may not be best to adopt a course somewhat similar to that taken by Russia, as explained in Mr. Block's Memorandum of the 16th ultimo, rather than to open a general discussion with the Porte on the subject.

I am, &c.

(Signed) ROSEBERY.